



**State of California**

# **2000 Annual Report**

California Division of Tourism  
(California Tourism)

California Technology, Trade and Commerce Agency  
*Lon S. Hatamiya, Secretary*

**March 1, 2001**

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## EXECUTIVE SUMMARY

This report is prepared and submitted pursuant to Section 15364.54 of the Government Code which specifies that on or before March 1 each year, the Director of Tourism shall:

- *Present a marketing plan for the upcoming year (Appendix A)*
- *Assess effectiveness of the previous year's tourism marketing program*
- *Document directly attributable benefits of the previous year's tourism marketing program*
- *Identify methods of promoting travel to the state's lesser-known and under-utilized destinations*
- *Measure the annual size in aggregate and by county, for the most recent year of: travel and tourism spending in California; travel and tourism employment in California; and travel and tourism generated state and local tax revenues. (Appendix B)*
- *Identify additional data to be collected to assess further and adequately the benefits of the tourism marketing program*
- *Establish standardized and accurate methods to measure annually California's share of domestic and international tourism.*
- *Report on the income and expenses of the California Travel and Tourism Commission and the overall state of financial affairs. (Appendix C)*

## KEY CALIFORNIA TOURISM INDICATORS & RESULTS

### State of the Industry

Travel spending in 2000 grew 5%, increasing from \$67.9 billion to \$71.3 billion (preliminary figures), while tourism employment increased an estimated 2.0% to 708,900 jobs. The State of California collected \$3.05 billion in taxes from travel spending in 2000, up 5% from 1999, and local communities collected \$1.68 billion in local taxes from travel spending, an increase of 5%.

### Market Share

California's market share of domestic leisure travel for the first six months of 2000 held steady at 11.1% (the same share for the first six months of 1999). Preliminary estimates indicated that overseas travel to the U.S. from January through August 2000 increased by 10.2% compared to the same period in 1999. The increase is attributed to economic improvements in Asia and other countries. At the end of 2000, the overseas travel market is expected to level off and retain the same share of the overseas market as in 1999, which was 25.5%. Final statistics will not be released by the U.S. Government until after publication of this report.

## Directly Attributable Results

Results of the 2000 advertising campaign with respect to return on investment and overall effectiveness will be available in Spring 2001. A study conducted of the 1999 advertising campaign established that California Tourism's ads generated 735,850 projected new visitors in 1999 and 2000. These new visitors will spend a projected \$619.2 million. The cost of the advertising campaign was \$2.7 million, leading to a return of \$229 for each \$1 spent. This investment also generated an estimated \$8.70 in taxes for each \$1 spent, or a total of \$23.5 million in state taxes.

Results of the most recent literature/fulfillment cost-benefit study will be available in the first quarter of 2001. Results from the most recent year measured (1999) show that the literature/fulfillment program generated \$67 million in total spending to the state. Visitor spending, strengthened by the literature/fulfillment programs generated \$2.5 million in new state tax revenues. For every \$1 spent preparing and sending visitor information to travelers, the State of California received \$119.8 in return from travelers who decided to visit or extend their stay because they received the information.

## Key California Tourism Contacts/Leads for Year 2000

Calls to toll-free telephone number	120,206
Packets ordered on the web	86,314
Packets sent from fulfillment house	277,503
Informational calls to CA Tourism	7,083
Packets sent from CA Tourism	5,225
E-mails sent to CA Tourism	5,079
Assessment calls	7,236
International contacts	43,476
Research contacts & reports mailed	746
Media relations inquiries	1,195
CA Welcome Center (walk-ins)	384,212

## Benefit to Lesser-known and Under-utilized Destinations

A content analysis of primary California Tourism publications distributed in 2000 measuring what percentage of content featured lesser known and under-utilized destinations, showed a range of 60% to 95% of the content featured these destinations. Additionally, 66% of the Internet hits were for these destinations.

## CALIFORNIA TRAVEL AND TOURISM COMMISSION

This past year marked the second fully funded and operational program year of the new industry-directed California Travel and Tourism Commission (CTTC). The new funding generated by the CTTC increased California's total marketing budget from \$7.3 million to approximately \$12.8 million, a 75% increase, thereby enabling California to maintain its competitive positioning among other states. This funding was generated from assessments collected from over 3,200 travel and tourism-related businesses. CTTC funding for the 2000/2001 fiscal year provided for the development of new California Tourism programs, as well as for the continuation of existing programs. Of particular importance, CTTC funding provided for the creation of the new *Adventures in Wild California* IMAX film, which premiered in spring 2000,



and represents the largest consumer marketing promotion ever organized by the travel industry. In the initial five month roll-out, over 550,000 people saw the film and the Web site received more than 3.5 million hits.

## **ADVERTISING AND MARKETING**

### **National Advertising**

California Tourism's national advertising program received \$600,000 in incremental funding to raise it to a \$4.6 million total for 2000 (including the American Express Travel Planner). The campaign ran nationally and regionally from January through June with two television spots in key feeder markets, four print ads in key lifestyle and traditional travel magazines, and Internet banner ads on four popular Web sites. Extending the advertising effort was California Tourism's partnership to produce the 48-page nationally recognized American Express Travel Planner. A total of 2.1 million copies were produced and through this cooperative advertising effort the initial budget tripled.

### **Cooperative Marketing Support**

Leveraging the purchasing power of the state's \$7.3 million tourism budget, coupled with the CTTC's \$5.5 million in funding, California Tourism raised approximately \$20 million in additional cooperative partner funds to promote travel to California. Cooperative funding was developed from private and other governmental sources in every major category of California Tourism's program. Key cooperative programs include: the American Express California Travel Planner, Cultural Tourism, the Fun Spots, Bed & Breakfast Virtual Tours, Shop California, Dine California, California Snow, and the *Adventures in Wild California* IMAX film and promotional program.

### ***Adventures in Wild California***

The *Adventures in Wild California* IMAX promotional program launched in spring 2000 with five in-state events (San Diego, Los Angeles, San Jose, San Francisco and Sacramento) that included film screenings and "Taste of California" receptions that were attended by over 2,000 VIP's. Additional events were held in Boston, Toronto, Munich and Berlin, with over 600 and 800 VIPs attending the latter events. "The Taste of California" component provided audiences with an opportunity to sample California's world-famous wines and cuisine. In California, a \$10 million pro-bono media campaign was launched, including television, radio and outdoor advertising. International tour operator programs were developed to leverage the investment by providing special California itineraries and accompanying promotional collateral materials. Additionally, the wildca.com Web site received more than 3.2 million successful hits, and one million page views, with an average user session of more than eight minutes. United Airlines in-flight video news releases, developed to feature specific California destinations and cross-promote the film, were viewed by nearly 2.5 million United passengers monthly. Twenty-eight theaters booked the film during 2000 and more than one million moviegoers have now seen *Adventures in Wild California*. The project in total is expected to reach \$30 million in leveraged cooperative participation and generate approximately 3 billion gross impressions worldwide, including 10-12 million people who will actually see the film.

## **COMMUNICATIONS**

### **Media Relations**

California Tourism organized the state's seventh annual media blitz to New York City, with 43 delegates who met with more than 100 travel trade and consumer press, and the second press event in London, with 14 delegates who met with 38 consumer and travel trade journalists. Press visits were also held for the first time ever in Brazil. California Tourism also conducted regular editorial visits with key publications and journalists in the Los Angeles and San Francisco Bay Area, and organized individual press trips for travel journalists, photographers, filmmakers and broadcasters from nine countries. Results of these trips and contacts included the establishment of key relationships with the press, story placement and actual leads. For the first time ever, California Tourism made plans to establish year-round public relations representation in the state's top three overseas markets (Germany, Japan and the United Kingdom) by spring 2001. California Tourism responded to media requests at eight national and international trade shows and conferences, and provided assistance to approximately 1,150 journalists throughout the year. On the publications front, California Tourism produced: quarterly editions of *Insights*, a 20-page industry newsletter; four editions of *What's New in California*, a major round-up release that is sent to nearly 3,000 national and international writers, editor and broadcasters; sixteen press releases and media advisories; plus key media relations materials on California Tourism's Web site. Although no international data is available, clip analysis indicates at least \$60,000 worth of coverage in published domestic articles can be attributed to California Tourism efforts.

### **Publications and Visitor Information**

In addition to California Tourism's multiple publications, (*California Official State Visitor's Guide & Travel Planner*, *California Celebrations*, *Official State Map*, *Travel Ideas Map*, and *Driving Tours Guide*), the Tourism Web site has become a major source for visitor information. The site averaged over 3.8 million hits per month, and at peak, received more than 4.5 million hits per month, an increase of 55% over the prior year. Activity on the Web site nearly tripled after the advertising campaign began in February. Virtually thousands of state and federal agencies, destination marketing organizations and attractions are now linked to the site, providing travelers with a central location to find travel planning information about California. New features for 2000 included: *Driving Tours Guide*, *Adventures in Wild California*, California Welcome Centers, banner advertising, user survey and foreign translations of the "Regions" section of the site. Plans are underway for a complete redesign of the Web site in 2001.

### **Welcome Centers**

Four new welcome centers joined the network of California Welcome Centers (CWCs) in 2000: Los Angeles, Arcata, Oceanside and Merced. Continuing to service travelers are the CWCs in Rohnert Park, San Francisco, Anderson and Barstow. All CWCs are now identified in the State's Visitor's Guide, on State tourism maps and on the Web site.

## **TRAVEL TRADE DEVELOPMENT**

### **California Countryside Program**

Each of the eight rural tourism regions received \$25,000 in marketing funds to be used for regional participation in international travel and trade shows, and for support of regional tourism publications. Over 400,000 contacts are attributed to the funding provided by the Countryside Marketing Funds, at a cost of \$.34 each. California Tourism also participated in the Agri-tourism Work Group, UC Davis, sponsored by the Small Farm Center of the University of California, Davis. The Work Group includes members of the agricultural community, as well as tourism professionals who are interested in developing and marketing agri-tourism in California.

### **National**

California Tourism continued to build its outreach to the domestic trade by cooperatively working with California Connection, a private/public marketing coalition consisting of approximately 100 destinations, attractions, transportation companies, etc. In the 2000 year, California Tourism co-sponsored three California Connection programs and events. California Tourism also participated in the 2000 National Tour Association conference and conducted more than 90 buyer appointments. In response to the industry's request, a domestic marketing committee was established to determine where to best market on a national basis.

### **International Marketing**

CTTC funding in 2000 elevated California's presence internationally with both new market reach and greater activities in key markets. California Tourism was also able to open two new travel trade offices in Australia and Brazil in collaboration with several participating convention and visitor bureaus. California Tourism organized a California presence at 38 major domestic and international trade shows, and hosted 24 familiarization tours in 2000. Additional new efforts included: expanded outreach directed at the incentive markets; aggressive trade development in secondary countries such as Ireland, Denmark, Finland, Switzerland and Brazil; expanded "Taste of California" programs in most trade development efforts; and expanded consumer exposure in the U.K., Germany and Australia via cooperative marketing with key international tour operators.

### **Research**

California Tourism produced 17 key research reports this past year to evaluate all of the organization's program effectiveness, understand the economic impact to tourism and key visitor activities, and track visitor demographics and travel patterns in all domestic and international markets.

## **CALIFORNIA TOURISM AWARDS**

California Tourism's 1999 Advertising Campaign received the prestigious Mercury Award (from the Travel Industry Association's National Council of State Travel Directors) for best Print Advertising in the nation for the campaign's proven results, including generating \$619 million in new visitor spending for California and attracting 644,000 new visitors to the state. Last year's campaign was also recognized in many highly regarded advertising industry publications. California Tourism's 1999

cooperative endeavor, the American Express Travel Planner, also received a Mercury Award "Honorable Mention." As well, California Tourism was also honored with a Mercury Award for "Best Internet Promotion" in the nation for being the first state travel office to launch the Bed & Breakfast Inns Virtual Tour program on the official state Web site and other Internet portals.



## REPORTING REQUIREMENTS

Section 15364.54 of the Government Code specifies that on or before March 1 each year, the Director of Tourism shall:

- *Present a marketing plan for the upcoming year (see Appendix A)*
- *Assess effectiveness of the previous year's tourism marketing program (noted within analysis of each program element)*
- *Document directly attributable benefits of the previous year's tourism marketing program (see Directly Attributable Benefits)*
- *Identify methods of promoting travel to the state's lesser-known and under-utilized destinations (see Benefit to Lesser-known and Under-utilized Destinations)*
- *Measure the annual size in aggregate and by county, for the most recent year, of:*
  - travel and tourism spending in California (see State of the Industry and Appendix B);
  - travel and tourism employment in California (see State of the Industry and Appendix B); and
  - travel and tourism generated state and local tax revenues (see State of the Industry and Appendix B)
- *Identify additional data to be collected to further and adequately assess the benefits of the tourism marketing program (see Research)*
- *Establish standardized and accurate methods to measure annually California's share of domestic and international tourism (see Market Share)*
- *Report on the income and expenses of the Commission and otherwise generally with respect to financial affairs (to be audited). (see Appendix C) California Travel and Tourism Commission (CTTC)*

## CALIFORNIA TRAVEL AND TOURISM COMMISSIONERS

### APPOINTED CTTC COMMISSIONERS

CHAIR – Lon S. Hatamiya, Secretary, California Technology, Trade and Commerce Agency

#### **Deserts**

Mike Fife, Palm Springs Desert Resorts CVA, Rancho Mirage (1/02)

#### **San Diego County**

William Davis, SeaWorld of California, San Diego (1/02)

#### **Inland Empire**

Ted Weggeland, Entrepreneurial Hospitality Corp., Riverside (1/02)

### **Orange County**

Bill O'Connell, Stovall's Best Western, Anaheim (1/00)

### **Los Angeles County**

Tadao Fujiwara, M.D. (1/04)

### **Central Coast**

Ted Balestreri, Cannery Row Company, Monterey (1/00)

### **High Sierra**

Dennis Harmon, Heavenly Ski Resort, South Lake Tahoe (1/00)

### **San Francisco Bay Area**

John Marks, San Francisco CVB, San Francisco (1/00)

### **Gold Country**

CHIEF FINANCIAL OFFICER - John Kautz, Kautz Ironstone Vineyards, Murphys (1/02)

### **Central Valley**

Vacant

### **Shasta Cascade**

John Koeberer, California Parks Company, Red Bluff (1/02)

### **North Coast**

Vacant

## **ELECTED COMMISSIONERS**

### **Accommodations**

VICE CHAIR - Jim Abrams, California Hotel & Motel Association, Sacramento (1/02)

James J. Amorosa, Motel 6 Operating, Belmont (1/04)

Glyn Davies, Simpson House Inn, Santa Barbara (1/04)

Mark Erskine, San Diego Marriott Hotel & Marina, San Diego (1/02)

Anne Evans, Evans Hotels, San Diego (1/04)

Michael Gelfand, Terra Vista Management, Beverly Hills (1/02)

Charles H. Hays, Far Horizons 49er Trailer Park, Plymouth (1/02)

Greg Hendel, Best Western, Palm Springs (1/02)

Rick Lawrance, California Lodging Industry Association, Sacramento (1/02)

Chris Middleton, American Hotels, Palo Alto (1/04)

Cormac O'Modhrain, Park Hyatt, Los Angeles (1/04)

Gene Zanger, Casa de Fruta, Hollister (1/04)

### **Restaurants and Retail**

Ted Burke, Shadowbrooke Restaurant, Capitola (1/02)  
Jeani Lund, Merv Griffin Enterprises, Los Angeles (1/02)  
Ric Service, Las Casuelas Terraza, Palm Springs (1/04)  
Vacant

### **Attractions and Recreation**

Claire Bilby, Disneyland Resort, Anaheim (1/02)  
Steve Lew, Universal Studios Hollywood, Universal City (1/04)  
VICE CHAIR - Bob Roberts, California Ski Industry Association, San Francisco (1/02)

### **Transportation and Travel Services**

Michael Gallagher, City Pass, San Francisco (1/04)  
Anastasia K. Mann, Corniche Travel, West Hollywood (1/04)  
Terry MacRae, Hornblower Cruises & Events, San Francisco (1/04)  
Robert Neuberger, Avis Rent-A-Car, El Segundo (1/02)  
Rita Vandergaw, Port of San Diego, San Diego (1/02)

Note: Date in parenthesis reflects term expiration date

## **CALIFORNIA TRAVEL & TOURISM COMMISSION STAFF**

Executive Director, Caroline Beteta  
Director of Marketing, Susan Wilcox  
Director of Public Affairs, Lisa Kruttschnitt  
Industry Relations Manager, Jennifer Jasper  
Commission Liaison, Susan Cremins  
Contracts Manager, Sue Coyle  
Assessment Program Assistant, Janette Crosley  
California Visitor Information Specialist, Lois Vaira

## **CALIFORNIA DIVISION OF TOURISM STAFF**

Deputy Secretary, Caroline Beteta  
Staff Services Manager II, Rita Adair (Operations Director)  
Senior Tourism Specialist, Tiffany Urness (Assessment Program)  
Associate Government Program Analyst, Ann Reicherter (Budgets)  
Associate Government Program Analyst, Janice Simoni (Contracts)  
Associate Government Program Analyst, Linda Estelle (Assessment Program)  
Associate Government Program Analyst, Ronalee Wilkerson (Assessment Program)

Associate Government Program Analyst, Joan Clark (Assessment Program)  
 Staff Services Analyst, Vacant (Assessment Program)  
 Senior Tourism Specialist, Fred Sater (Communications Program Director)  
 Associate Tourism Specialist, Mary Cochran (Communications Program)  
 Associate Tourism Specialist, Tom Lease (Communications Program)  
 Associate Tourism Specialist, Barbara Steinberg (Communications Program)  
 Assistant Tourism Specialist, Megan Wright (Communications Program)  
 Senior Tourism Specialist, Terry Selk (Travel Trade Development Director)  
 Research Analyst II, Eileen Hook (Research and Rural Tourism)  
 Associate Tourism Specialist, Glenda Taylor (Travel Trade Development)  
 Associate Tourism Specialist, Tiffany McKenzie (Travel Trade Development)  
 Assistant Tourism Specialist, Gretchen Brigaman (Travel Trade Development)  
 Office Technician, Cindy Baker (Executive Office)  
 Office Technician, Dana Ross (Communications Program)  
 Office Technician, Susie Gier (Visitor Information)  
 Office Technician, Vacant (Assessment Program)  
 Office Assistant, Vacant (Assessment Program)

### **Interns**

Leona Ladrova (Communications Program)  
 Somer Loen (Communications Program)  
 Amy Johnson (Communications Program)  
 Megan Elliot (Travel Trade Development)  
 Brianne Taylor (Assessment Program)

## **KEY CALIFORNIA TOURISM INDICATORS & RESULTS**

### **STATE OF THE INDUSTRY**

- *Travel spending in 2000 grew 5.0%, increasing from \$67.9 billion to \$71.3 billion (preliminary figure).*
- *Tourism employment increased an estimated 2.0% to 708,900 jobs in 2000.*
- *The State of California collected \$3.05 billion in taxes from travel spending in 2000, up 5.0% from 1999. Local communities collected \$1.68 billion in local taxes from travel spending, an increase of 5.0%.*

## MARKET SHARE

California's market share of domestic leisure travel for the first six months of 2000 held steady at 11.1%, the same share for the first six months of 1999.<sup>1</sup> Preliminary estimates indicate that overseas travel to the U.S. from January through August 2000, increased by 10.2% compared to the same period in 1999. The increase is attributed to economic improvements in Asia and other countries. The overseas travel market at the end of 2000 is expected to level-off and retain the same share of the overseas market as 1999, which was 25.5%. Final U.S. Government statistics will not be released until after publication of this report, and will be updated accordingly.

## DIRECTLY ATTRIBUTABLE RESULTS

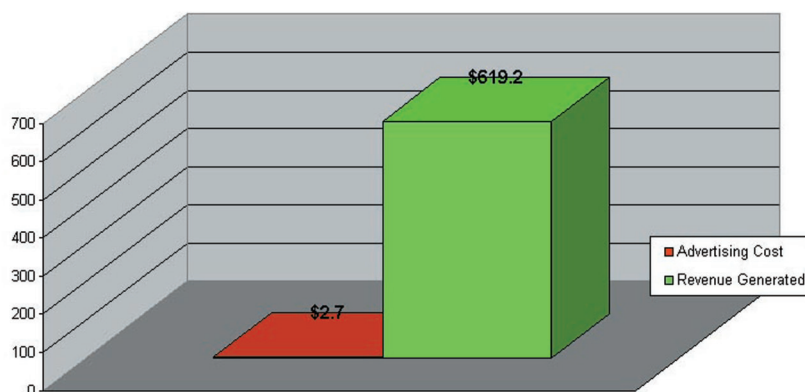
Generally accepted accountability measures were used to determine the directly attributable benefits of the literature/fulfillment and advertising programs.<sup>2</sup> Other program results are reported within each program section.

**Literature/Fulfillment** – Results of the most recent Literature/Fulfillment cost-benefit study will be available in the first quarter of 2001. Of the most recent year measured, 1999, the California Tourism Literature/Fulfillment cost benefit study<sup>3</sup> determined that the literature/fulfillment program generated \$67.0 million in total spending to the state. Visitor spending, strengthened by the literature/fulfillment programs generated \$2.5 million in new state tax revenues. The study established that, for every dollar spent preparing and sending visitor information to travelers, the State of California received \$119.8 in return from travelers who decided to visit or to extend their stay because they received the information.

**Advertising** – Results of the most recent advertising effectiveness cost-benefit study will be available in Spring 2001. A study conducted of California Tourism's 1999 advertising campaign<sup>4</sup> established that the California Tourism ads generated 735,850 projected new visitors in 1999 and 2000. These new visitors will spend a projected \$619.2 million. The cost of the advertising campaign was \$2.7 million, leading to a return of \$229 for each \$1 spent. This investment also generated an estimated \$8.70 in taxes for each \$1 spent, or a total of \$23.5 million in state taxes.

## DIRECT RETURN ON STATE INVESTMENT

Projected Revenue Generated from Advertising



*Note: Updated Return on State Investment information will be available April 2001.*

<sup>1</sup> D.K. Shifflet & Associates, November 2000.

<sup>2</sup> Because of the lack of generally accepted methods for calculating visitation and employment directly attributable to every marketing activity, other program elements are evaluated using standard indirect measures of effectiveness, such as the number of trade show contacts made, number of sales mission participants, and dollar value of column inches of positive articles about California attributable to Media Relations program outreach.

<sup>3</sup> *Effectiveness of the 1999 California Tourism Fulfillment Program*, Davidson-Peterson Associates, April 2000.

<sup>4</sup> *Effectiveness of the 1999 California Tourism Advertising Campaign*, Davidson-Peterson Associates, February 2000.



## KEY CALIFORNIA TOURISM CONTACTS/LEADS FOR YEAR 2000

Calls to toll-free telephone number	120,206
Packets ordered on the web	86,314
Packets sent from fulfillment house	277,503
Informational calls to CA Tourism	7,083
Packets sent from CA Tourism	5,225
E-mails sent to CA Tourism	5,079
Assessment calls	7,236
International contacts	43,476
Research contacts & reports mailed	746
Media relations inquiries	1,195
CA Welcome Center (walk-ins)	384,212

## BENEFIT TO LESSER-KNOWN AND UNDER-UTILIZED DESTINATIONS

Extensive national and international promotional outreach conducted by California Tourism continually identifies California's lesser-known and under-utilized destinations in ways the regions could not otherwise afford to achieve on their own. This outreach includes publicity, editorial coverage, listings of tourism attractions and facilities, event listings, sales representation and advertising generated by the California Tourism program. For example, a content analysis of primary California Tourism publications distributed in 2000 shows what percentage of content featured lesser-known and under-utilized destinations:

	<u>Distribution</u>	<u>Content<sup>5</sup></u>
Calendar of Events	400,000	73%
Visitor's Guide	550,000	60%
Internet (hits)	45,618,325	66%
Driving Tours Guide	110,000	95%

In addition, this year's \$3.8 million advertising campaign generously featured lesser-known destinations with all of the print advertising executions being in this category.

State efforts to increase travel to California gateway destinations (i.e., Los Angeles, San Francisco, San Diego, San Jose, Orange County) from distant markets ultimately benefits lesser-known destinations, because these efforts increase the pool of travelers from which lesser-known areas draw. Similarly, promotion of rural destinations ultimately attracts visitors through gateway destinations.

## ISSUE ANALYSIS AND MANAGEMENT

**Central Reservation Services (CRS)** – In 2000, California Tourism continued facilitating a working group regarding CRS links to its Web site. Criteria for linking a CRS are currently being reviewed by the Office of Administrative Law.

**Western States Tourism Policy Council (WSTPC)** – Comprised of eleven western state tourism directors of the thirteen western states, WSTPC addresses major tourism issues of importance in the West. Of significance, in December, WSTPC organized a major summit on Global Tourism (removing policy barriers to international tourism), and throughout the year, kept in close communication with leaders of all

<sup>5</sup> Approximate

major Federal agencies that were signatures to a Memorandum of Understanding (MOU) regarding cooperative agreements involved in administration of tourism on public lands.

**California Tourism Awards** - California presented awards, in 11 categories, for excellence in tourism marketing and management. The California Tourism Hall of Fame, honoring Californians who have made exceptional contributions to the identification of California, was expanded. LEGOLAND California, a unique new attraction that brought global recognition to California, received the Chairman's Choice Award.

**Celebrating California, Admissions Day 2000**— California Tourism supported the celebration of the 150<sup>th</sup> anniversary of California's statehood by assimilating the calendar of related events into the Celebrations calendar on the Tourism Web site.

**Heritage Tourism Summit** – California Tourism staff participated in the development of a Heritage Tourism Summit, on behalf of Governor Davis, which took place in Sacramento March 2000. The summit brought together business, government and tourism industry representatives to discuss the relationship between heritage, tourism, and economic development. Representatives from California Tourism led a breakout session on Culture's Edge 2.

**Industry Relations** – California Tourism staff provided extensive communications outreach and technical assistance via speeches, presentations, and meetings to over 30 California communities in 2000. Communication efforts were also developed to reach the 3,800 members of the assessed business community regarding tourism trends, statistics, partnership opportunities, and California Tourism's marketing program in general.

## CALIFORNIA TRAVEL AND TOURISM COMMISSION

This past year marked the second fully-funded and operational program year of the industry-directed California Travel and Tourism Commission (CTTC). The CTTC has dramatically enhanced the ability of California Tourism to promote California as a unique travel destination and increase the travelers' awareness. New funding generated by the CTTC increased California's total marketing budget from \$7.3 million to approximately \$12.8 million (a 75% increase), thereby enabling California to maintain its competitive budget positioning among other states. This funding was generated by assessments collected from more than 3,200 travel-and tourism-related businesses.

Of particular importance, CTTC funding boosted the advertising budget, which last year resulted in a 25% increase in gross impressions, a 118% increase in overall inquiries, a 170% increase in magazine and newspaper inquiries, a 170% increase in Internet inquiries, and an Internet click-through rate of 3%, which is two times higher than the industry average. Details on the advertising campaign can be found on page 15. CTTC provided funding for the creation of the new *Adventures in Wild California* IMAX film, the largest consumer marketing endeavor organized by the travel industry to date. The film premiered in Spring 2000, and by the end of this year it will be playing in over 30 theaters worldwide. In the first five months, 550,000 people viewed the film and the Web site ([www.wildca.com](http://www.wildca.com)) received more than 3.5 million hits. Please refer to page 19 of this report for a more detailed description of *Adventures in Wild California*.

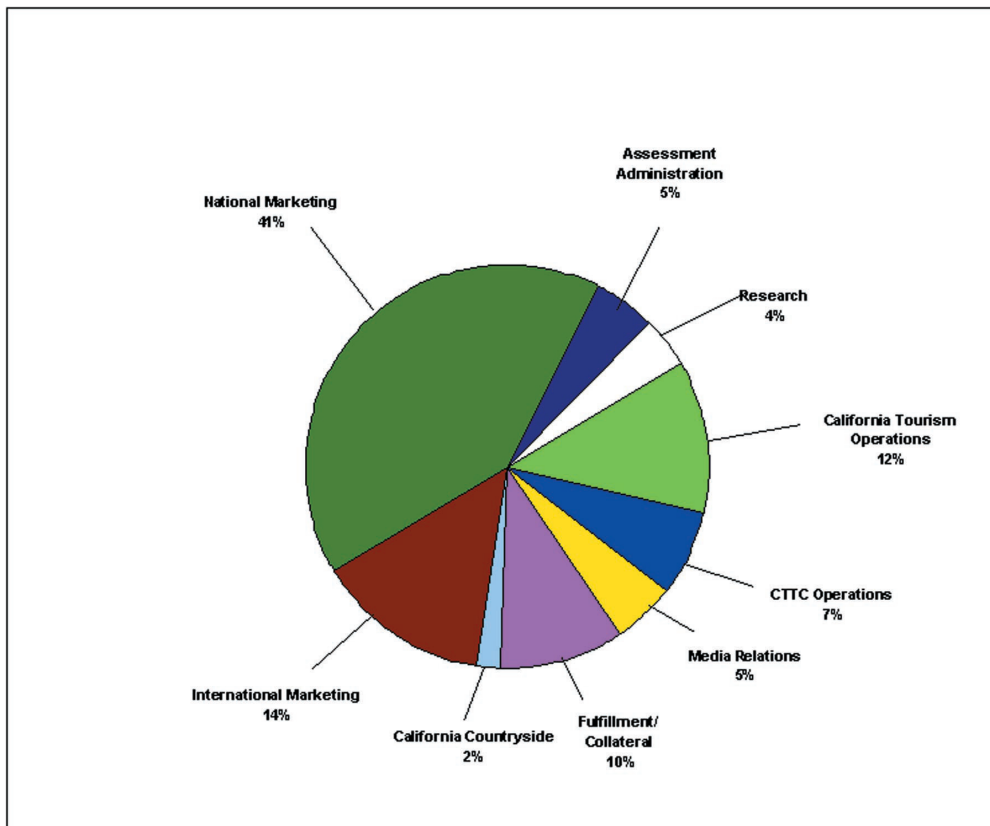
Additionally, CTTC funding for the 2000/2001 fiscal year provided for the development of new California Tourism programs, as well as for the continuation of existing programs. Following is an outline of these programs, many of which can be found in greater detail in other sections of this annual report:

- *Funding of California's Cultural Tourism program*
- *Funding of California Fun Spots, Shop California, Dine California, Wild Vacations in California and B&B Virtual Tour cooperative programs*
- *Funding of international co-op programs*
- *Co-funding of the domestic advertising campaign*
- *Production of the American Express Travel Planner*
- *Funding of the IMAX theater advertising co-op and syndicated IMAX TV series*
- *Production of the CA Tourism educational/sales video*
- *Funding of National Tour Association membership*
- *Funding of major sponsorship at California Travel Market trade show, including IMAX screening and educational function*
- *Continue funding of the international representation office in Germany, and new international representation offices in Australia, Brazil and Mexico*
- *Funding of international trade and consumer promotions*
- *Funding of international trade shows and exhibitions, and the "Taste of California" international cuisine program, featuring California chefs and agricultural products*
- *Funding of World Travel Market*
- *Funding of international tour operator co-op programs*
- *Funding of international familiarization tours*
- *Production of international fulfillment pieces*
- *Production of Highlights, an international travel trade newsletter on California*
- *Funding of research on California Tourism's marketing programs*
- *Funding of advertising tracking studies*
- *Funding of IMAX film tracking studies*
- *Co-funding of eight rural region grants*
- *Co-funding of the Calendar of Events, California State Map and California Snow publications*
- *Funding of California Tourism Web site maintenance, translations and*

improvements

- Co-funding of fulfillment provider
- Funding of publication photography
- Funding of California media events in New York, London, Brazil
- Funding of domestic and international media outreach
- Production of quarterly Insights publication
- Funding of translations for media publication
- Funding of La Cumbre press sponsorship and SATW Western Chapter Meeting sponsorship
- Funding of new international public relations contractors
- Funding of media newsclipping service
- Funding of media relations coordinator
- Co-funding of California Welcome Center program

## CALIFORNIA TOURISM MARKETING PROGRAM 2000



## ADVERTISING AND MARKETING

### NATIONAL ADVERTISING

With a \$600,000 boost in incremental funding, the \$4.6 million (including the *American Express Travel Planner*) national advertising effort was raised to new heights. This year's award-winning work was seen nationally and regionally January through June.

The communication leveraged the "California Attitude" (the notion that we as Californians live life to the fullest and put pleasure first), as well as continued to build awareness of the "California Mystique" (what makes California so different and desirable). The program targeted non-resident leisure travelers, as they have the greatest potential to increase visits and revenue to the state.

The campaign consisted of television spots, four national and regional print ads, and Internet banners. The television spots consisted of two :30 commercials that ran in key feeder markets: Portland, Seattle, Denver, Tucson, Phoenix, Albuquerque, and Salt Lake City. Print ads appeared in: *Better Homes & Garden*, *Conde Nast Traveler*, *Travel & Leisure*, *Smithsonian* and *Sunset*. Internet banners appeared on AOL, Double Click Travel, New York Times and Chicago Tribune, as well as on the above mentioned magazine Web sites.

Extending the advertising effort was California Tourism's partnership to produce the 48-page nationally recognized *American Express Travel Planner*. A total of 2.1 million copies were produced and through this co-operative advertising effort the initial budget tripled.

### COOPERATIVE MARKETING

Leveraging the purchasing power of the state's \$7.3 million tourism budget, California Tourism raised approximately \$20 million in additional cooperative partner funds to promote travel to California. Cooperative funding was developed through private and governmental sources in every major California Tourism program.

***American Express California Travel Planner*** – In addition to extending the advertising campaign reach, California Tourism undertook a major advertising cooperative program with American Express and other travel industry partners, creating a 3-to-1 leverage on the initial investment. The result was a 48-page, four-color travel planner that carried the advertising creative which was then inserted into *USA Today*, *Better Home & Gardens*, and *Travel & Leisure*. Additionally, a direct mail piece following the same theme as the advertising with a heavy call to action, was mailed to 200,000 American Express cardholders with a high propensity to travel. A total of 2.1 million guides were printed and circulated. So far, this piece alone has generated 133,000 responses to the advertisers, a 13.7% increase in card members visiting California, a 24% increase in retail spending, and a 6% increase in restaurant spending. A third edition of the American Express Travel Planner will be released in March 2001.

***California Cultural Tourism Itineraries*** – This program was initiated by the Los Angeles Convention and Visitors Bureau's Cultural Tourism Division. California Tourism assisted in the development of a directory of cultural tourism itineraries, by underwriting the expansion of arts, heritage, ethnic and lifestyle tour itineraries, primarily in Los Angeles, San Francisco and San Diego. This included the develop-



ment of major itineraries on the Sesquicentennial and California missions. The itineraries are the most extensive cultural tourism marketing package ever developed in the United States for the travel trade. Discussions are underway for a new and improved program for 2001.

**The Fun Spots** – The California Fun Spots distributed more than 3,350,000 Fun Spots cards in the Western United States during the year 2000 via magazine inserts and attached to one million *Official California State Maps*.

Magazine distribution increased slightly in 2000, with the addition of *Mervyn's View*, to an all time high of 2,160,000. The *Mervyn's View* insert allows spillover distribution in-state.

Fun Spots card redemptions for 2000 through November rose to a record level of 65,613 which represents a 39% increase over 1999 which was previously a record year.

Estimated gross ticket revenue for the card redemptions at member attractions will exceed \$2,300,000 up by over \$1,000,000 in gross revenue. The nine participants: Knott's Berry Farm, LEGOLAND California, Monterey Bay Aquarium, The World Famous San Diego Wild Animal Park, San Diego Zoo, SeaWorld of California, Six Flags Magic Mountain, Six Flags Marine World and Universal Studios Hollywood plan to exceed this year's records with aggressive targeted marketing programs for year 2001.

The Fun Spots group expanded to nine members adding LEGOLAND California and Six Flags Magic Mountain.

**Virtual Bed & Breakfast Tours** – In July 1999, California Tourism joined with [bamboo.com](http://bamboo.com) (now [iPix.com](http://iPix.com)) to provide the California bed and breakfast industry a national award-winning opportunity to be featured on the California Tourism Web site with virtual tours of participating inns.

The Bed & Breakfast Inns Virtual Tour Program is drawing to a close. All of the original inns that agreed to participate were 'virtually' captured in 2000.

Of the total 824 bed and breakfast inns located in California, 423 enrolled in the CTTC/iPIX Virtual Tour Program. The average number of shots captured per inn was 5.2, with some members expanding to well over 20 shots.

The California Association of Bed & Breakfast Inns (CABBI) joined with California Tourism as a partner to manage and update the bed and breakfast industry Web site. CABBI also agreed to enroll and fund the entire CABBI membership in the Virtual Tour program.

California Tourism participation was paramount in the creation of the program by agreeing to provide initial funding for the program. California Tourism was repaid by CABBI and the independent inns over a 2-year period. This joint program provides California bed and breakfast inn participants with links from the Virtual Tours to the California Tourism Web site, their own Web site, and to a third Web site on request. iPIX has agreed to extend the program from July 1, 2001 for an additional year at a rate of \$150 per inn per year which is \$12.50 per month per inn. This blanket rate is a significant savings over comparable programs.

Since many of the California bed and breakfast inns are located outside major service area of virtual tour Internet providers, the program allowed the California bed & breakfast industry to participate and compete globally via new virtual tour technology on the Internet.

**Shop California** – The Shop California committee aggressively expanded its co-op programs during 2000. The year began with a 4-color, inside back cover advertisement in *Panrotas*, a Portuguese special supplement distributed to the travel agent community in Brazil.

At La Cumbre (a key Latin American travel trade show) in Orange County, Shop California shared a trade booth with California Tourism. The group also produced and distributed a four-page, four-color Shop California brochure. The brochure was produced with \$48,000 in funds from Shop California and \$34,000 in CTTC funds. Of the 485,000 brochures produced, 360,000 were printed in English and 125,000 in Spanish (for Latin American countries). After La Cumbre, 285,000 of the English version were bound into copies of *California Snow* (the California Ski Industry Association publication) and then distributed to target markets (Chicago and Houston) with *Better Homes and Gardens*. The remaining brochures will be distributed at travel trade shows in Latin American markets and with *California Show* in tourism fulfillment packages.

The Shop California committee has agreed to purchase advertising in the American Express Travel Planner 2001. Shop California and CTTC will purchase a minimum of one page each at a cost of approximately \$37,500 per page. Distribution of the travel planner, 1.2 million copies, will include: *Travel & Leisure*, *USA Today*, and *Better Homes and Gardens*.

**Dine California** – Dine California began this year as a planning effort to support the 73,000+ restaurants in California. The Restaurant Advisory Committee, formed by the CTTC and California Restaurant Association (CRA) met to discuss creation and launch of potential programs for 2001. The committee hopes to strengthen the allure of California restaurants among tourists, business travelers, and California residents.

Programs currently under consideration for 2001 include: a Dine California advertisement in the American Express Travel Planner featuring renown California chefs; Dine California Web site featuring regional listings of California restaurants; an Internet virtual tours program exclusively for California restaurants; and/or promotional/discount offers which will offer consumers incentives to dine in California restaurants.

**California Snow** – The California Ski Industry Association's (CSIA) annual publication, *California Snow*, continues to draw skiers to California snow resorts. Sporting a new adventure-packed design in 1999-2000, the guide was well-received by younger consumer markets. According to Meredith Corporation, CSIA's publishing partner, *California Snow* generated more than 5,581 leads from reader response cards. The guide had a circulation of more than 250,000 copies including direct mailings to target markets, New York, Boston, and Washington, D.C., and 60,000 copies through California Tourism fulfillment. While the number of skier visits was down to 6.5 million, California was able to maintain its national market share, as the major destinations in Colorado and Northeast were also down. The development and maintenance of out of state markets through our "Ski California" cooperative programs were key factors in this success.

The international market saved the early season and Christmas holidays. At the major resorts in Lake Tahoe and Mammoth, the international skiers and snowboarders/riders accounted for over 18% of the visits, up 3% from the previous season. The key components of the co-op included the Virgin Holidays and Virgin Atlantic Airways program, and CSIA sponsorship of the Warren Miller movies throughout the UK.

Marketing efforts in South America continue to bear fruit not only for the snow sports industry, but also for California Tourism overall. *California Blanca*, CSIA's Spanish language guide to California winter sports, and continued participation in Todo Esqui have created credibility and strong relationships with the Argentine and Chilean travel trade and media. This, in turn, has created a visibility and leadership role for CSIA in these markets. Lan Chile, COPA, and Aerolineas Argentinas have all sought our marketing counsel for their new California routes. These activities have yielded new familiarization trips and a major consumer promotion with Sprite in Argentina.

The California Ski Industry's participation in the *Adventures in Wild California* IMAX has been a catalyst for Sierra Nevada marketing. It brought together, resorts and communities throughout the Sierra Nevada in cooperative marketing initiatives. The resorts and local destination marketing organizations are jointly participating in the "Taste of California" promotions, as well as the California Travel Market and La Cumbre.

## **ADVENTURES IN WILD CALIFORNIA**

***California IMAX Film and Taste of California VIP Events*** – The marketing effort, developed by California Tourism, is anchored by the 43-minute, 70mm-format IMAX film about California, called *Adventures in Wild California*. California Tourism has underwritten story and sponsor development, and a multiple of related promotions. IMAX films are seen in specially designed theaters with massive motion picture screens that provide for a very realistic impression of scenery and motion. These theaters are primarily located in museums around the world. One of the most famous is at the Smithsonian Air and Space Museum in Washington, D.C. The IMAX theaters are constantly looking for new films to show which will attract audiences. The award-winning creators of *EVEREST*, MacGillivray-Freeman Films, based in Southern California, directed California's film. K2 Communications is the Executive Producer.

There are about 350 of the "large format" theaters worldwide. The value of presenting "California" in IMAX scale, which is up to eight stories in size, is that the film totally involves the audience in the images, sounds and emotional impact, encouraging them to experience the destination first hand.

Accompanying the IMAX film, in approximately twenty markets are "The Taste of California" VIP events, jointly coordinated by the California Technology, Trade and Commerce Agency, California Tourism and K2 Communications. The exhibit provides a platform for audiences to indulge, on site, in the state's great culinary and sensory delights, including full-service California restaurant concessions, wine tasting, and a promotion of exclusive California merchandise.

"Hollywood-style" premiers and the "Taste of California" events are showcased to the media, travel trade and government, community and business leaders in the foreign countries where the IMAX film is shown. These premieres showcase California tourism and commerce, in ways that cannot be duplicated by other states or destinations.

This project launched in 2000 with five in-state events hosted by the economic development community sponsors and two events hosted by the film's title sponsor, Wells Fargo. Over 2,000 VIPs attended events in five major metropolitan cities: San Diego, Los Angeles, San Jose, San Francisco, and Sacramento. Events co-sponsored by economic development and travel and tourism sponsors were held in Boston and Toronto in October. Tourism film and event sponsors hosted travel operators and wholesalers in Munich and Berlin, Germany, attended by over 600 and 800 VIPs respectively.

In California, a \$10 million pro-bono media campaign was launched including television, radio, and outdoor advertising. These promotions cross-promoted the film and were a key highlight of the state's 150 years of statehood celebration. California Tourism worked with the Governor's Office and California State Parks by providing free screenings of the *Adventures in Wild California* film to the public on Admissions Day. This promotion was done in connection with a newspaper series and traffic radio promotional announcements.

Twenty-eight theaters booked the film during 2000 and more than one million moviegoers have now seen *Adventures in Wild California*. Numerous press releases in each market have consistently favored the beauty, brilliance and theme of the film.

Sponsor development for the *Wild California Experience* IMAX film and traveling exhibit continued in conjunction with the film releases in market with key tour operators, theater owners and other beneficiaries. Tour operators leveraged the California investment by offering special Wild California itineraries, specially designed promotion of California itineraries with cross promotion of the film. Which may include but are not limited to extra catalog pages, newsletters, magazine ads, customer mailings, Web site promotions, trip sweepstakes, and travel agent educational programs. United Airlines has supported the program by supplying additional airline tickets for sweepstakes, tickets for California delegates, and other local sponsorship considerations. Theater owners have added to the overall promotions by providing on-screen advertising of travel promotions, lobby displays, distribution of brochures, sweepstakes entries, providing free and discount tickets for travel agent promotions, on-going film advertising and promotions, and some free travel agent screenings.

The Theater Cooperative Matching Funds Program has been very successful leveraging the CTTC Cooperative investment of \$67,500 to become approximately \$600,000 in media exposure in Denver, Toronto, Boston, and Munich. In Boston alone, a \$15,000 investment yielded \$159,859 in media promotions.

The tour operator cooperative program in Germany included California Tourism, United Airlines, TUI (the largest tour operator in the world), Marlboro Reisen (adventure travel specialists), the Munich, Berline, Speyer (Frankfurt) theaters, and MSi (Travel and Tourism Germany Representative). This cooperative leveraged California's investment of \$50,000 to become an estimated \$500,000 in in-market California promotions.

Major sponsors committed to participate during 1999/2000 included: Wells Fargo, American Express, Disneyland Resorts, United Airlines, Robert Mondavi Winery, Hewlett Packard, Airtouch Foundation, Long Beach Convention & Visitors Bureau, Los Angeles Convention & Visitors Bureau, Monterey County Convention & Visitors Bureau, Palm Springs Desert Resorts Convention & Visitors Authority, San Diego Convention & Visitors Bureau, San Jose Convention & Visitors Bureau, San Francisco

Convention & Visitors Bureau, Southern California Edison, California Ski Industry Association, the California Travel and Tourism Commission, and the California Technology, Trade and Commerce Agency.

Media partners included the *Los Angeles Times*, Meredith Publishing, *The Sacramento Bee*, *The San Francisco Chronicle* and *Examiner*, *Sunset Magazine*, *United Airlines Entertainment Network*, and Western International Media.

An accompanying multi-media campaign and cross-promotional opportunities were developed in 1999/2000, including creation of two broadcast :60 and :30 spots, radio, and various printed collateral such as a key graphic, magazine and newspaper ads, brochures, press kits, and poster artwork.

In order to use more of the nearly 40 hours of IMAX footage shot for the film, a partnership was developed between the State of California, Discovery Communications, and California Tourism to produce three one-hour specials on California – culture, lifestyle, and natural wonders. The shows will be syndicated and it is estimated that they will be placed in 35 countries worldwide with a potential for 200 million viewers. Domestically, the specials will be placed with local broadcasters (over the air and cable operators). The specials debuted domestically in November 2000 and will debut internationally in early 2001.

The [www.WildCA.com](http://www.WildCA.com) Web site was designed in 1999, and became syndicated on [www.Canada.com](http://www.Canada.com) and [www.Bostonglobe.com](http://www.Bostonglobe.com) in October 2000 with [www.Sueddeutschezeitung.de](http://www.Sueddeutschezeitung.de) and [www.Berlin.de](http://www.Berlin.de) coming online in January 2001. The [www.WildCA.com](http://www.WildCA.com) site has received more than 3.2 million successful hits, and 1 million page views with an average user session of more than 8 minutes.

United Airlines in-flight video news releases (VNR) were developed with Monterey, Sacramento, Santa Barbara and TeamCalifornia to feature specific California destinations and cross-promote the film. These VNRs are viewed by nearly 2.5 million United passengers monthly.

The project in total is expected to reach \$30 million in leveraged cooperative participation and generate approximately 3 billion gross impressions worldwide, including 8-10 million people who will actually see the film.

## COMMUNICATIONS

### MEDIA RELATIONS

#### Media Outreach

**Press Event in New York** – California Tourism organized the state's seventh annual media blitz to New York City, May 17-19, 2000. This trip included a record number 43 delegates representing 36 California destinations, attractions, sightseeing companies, accommodations and ski resorts, who met with more than 100 travel trade and consumer press during an evening reception and marketplace at the Sony IMAX Theatre Lincoln Square in Manhattan on May 18. The evening event also included a premiere screening of the IMAX film, *Adventures in Wild California*. In addition to developing relationships with the New York-based media, actual leads and story placement resulted from the trip. The 2001 California Tourism press event in New York is scheduled for March 1, and will feature as special guest, Mr. Martin Yan, celebrity chef, author and host of the PBS series, *Yan Can Cook*.



**Press Visits in Brazil** – For the first time ever, California Tourism conducted a media blitz to Brazil to participate in Visit USA Show in São Paulo and conduct editorial appointments in São Paulo and Rio de Janeiro, April 3-6. Appointments included editorial staff at key publications such as *O GLOBO*, *O Estado de S. Paulo*, *Panrotas*, and *Proxima Viagem*.

**Press Event in London** – Thirty-eight top-producing consumer and travel trade journalists (print, broadcast and online) had an opportunity to meet with 14 California delegates during California Tourism luncheon and marketplace in London, October 19, 2000. Breakfast and lunch appointments with key travel writers also occurred on October 20. Key appointments included ARTV, producers of *Hot Spots* and *The Art Club* for CNN International; BBC TV; *Condé Nast Traveller*; *Jazz FM*; *Essentially America*; *Motoring & Leisure*; *Escape Routes* and the popular TV travel program, *Wish You Were Here...?* Story ideas were discussed and actual coverage is expected during 2001. The California delegation included representatives from the Kimpton Hotel & Restaurant Group, Mammoth Lakes Visitors Bureau, National Steinbeck Center, Palm Springs Desert Resorts CVA, Sacramento CVB; San Diego CVB; World Famous San Diego Zoo & San Diego Wild Animal Park; San Francisco CVB; San Jose CVB; San Luis Obispo County VCB; SeaWorld; and Tenaya Lodge at Yosemite. The London press event was organized by Magellan Public Relations Limited.

**Wine Institute Press Trip** – On October 13, a delegation of seven Chinese journalists participating in Wine Institute press trip to California were briefed about California Tourism programs and issues pertinent to China. The journalists were given a customized California Tourism press kit, including a *What's New in California* release translated into Chinese. The writers and editors were affiliated with *Shangai Times*, *China Daily*, *Shangai Star*, *Wine and Drink*, *China Drink*, *Cosmopolitan/GQ*, *China Hotel & Catering Supplies Special*, and *China Alcoholic Drinks Newspaper*.

**Editorial Visits** – California Tourism staff regularly conduct editorial visits with key publications and journalists in the Los Angeles and San Francisco Bay Area, scheduled in conjunction with meetings and conferences in those destinations.

**Overseas Public Relations Representation** – For the first-time ever, California Tourism will have year-round public relations representation in the state's top three overseas markets. Kleber PR Network was selected to represent California Tourism in Germany, effective January 1, 2001. Japan and the United Kingdom are soon to follow, with representation in place by March 1, 2001. The public relations firms will generate qualified press leads, organize press trips, pitch story ideas, seek out promotional opportunities, and be the point-of-contact for the media in the respective markets. They will also complement the efforts of California Tourism's travel trade representatives in each market.

## **Media Assistance**

**Trade Show/Conference Media Assistance** – California Tourism responded to media requests at major travel trade shows and conferences including appointments with 22 press from 14 countries attending the Discover America International Pow Wow in Dallas (May); 30 press attending Society of American Travel Writers (SATW) Western Chapter Meetings in Los Cabos, Baja California (January) and Reno, Nevada (June); 28 writers, editors and photographers attending marketplace during SATW Associates Council in Los Angeles (August); 20 writers and photographers attending the Outdoor Writers Association of California Conference in Bishop (September); 21 journalists attending SATW Annual Convention in Cardiff, Wales (October); and 33 press attending World Travel Market in London (November).

**CTM** – California Tourism coordinated the publicity effort for the fourth annual California Travel Market (CTM), February 8-11, in San Jose. Fourteen travel trade and consumer press from 13 countries participated in CTM 2000. To date, 12 articles and/or features about California and CTM have been generated by journalists attending the show. California Tourism organized and staffed the pressroom and responded to press requests on site.

**La Cumbre** – For the first time in its ten-year history, La Cumbre was held on the West Coast. Anaheim hosted La Cumbre, the only travel trade show in the United States exclusively targeting Latin America and the Caribbean, September 5-7. The California Tourism Media Relations program's involvement included: serving on La Cumbre Media Advisory Committee; co-sponsoring opening night press reception and press conference; drafting talking points for the Executive Director's press conference comments; developed special *What's New in California* release (available in Spanish, Portuguese and English) for media guide; arranged interviews with California Tourism staff; staffed press room; and met with 27 journalists from seven different Latin American countries.

**Press Trips** – Individual press trips were organized by California Tourism throughout the state for domestic travel journalists and writers, photographers, filmmakers, and broadcasters from Argentina, Australia, Brazil, Canada, France, Germany, Japan, New Zealand and the United Kingdom.

**United Vacations UK Press Trip** – In cooperation with United Vacations, California Tourism organized and led press trips for British travel journalists, May 3-9. Participants included Jeff Mills, Travel Editor, *Sunday Business* (circulation: 56,000); Dominic Utton, Feature Writer, *The Express* (circulation: 1 million); Stacey Thomson, Assistant Editor, *The Mirror* (circulation: 2 million); Anna Hyman, Travel Features Editor, *Motoring & Leisure* (circulation: 350,000); and Brenda Howley, United Airlines representative. The itinerary focused on "value and family holidays," and included visits to San Francisco, San Jose, Salinas, and the Monterey Peninsula. Coverage to date includes: Two-page feature (including cover shot) about San Francisco in the October 2000 issue of *Motoring & Leisure*; three-page article about San Francisco in the travel section of the May 27, 2000 edition of the *Daily Express*; and feature article about San Francisco in the May 21 edition of *Sunday Business*.

**Media Assistance** – California Tourism's media relations staff assisted approximately 1,150 journalists with information for magazine and newspaper articles, radio and TV programs, online features and travel guide books on California.

**California Tourism Newsletter** – Four editions of *Insights*, a 20-page newsletter that informs California travel and tourism businesses and destinations on how they can take greater advantage of California Tourism's services and marketing programs was written and distributed to approximately 9,500 organizations and individuals (including all assessed businesses).

**What's New In California** – Each quarter, California Tourism issues *What's New In California*, a major round-up release about new developments in California tourism. *What's New* is sent to nearly 3,000 national and international writers, editors and broadcasters. The quarterly update is well received by the media. For example, it is routinely used by *Destinations*, *Travel Agent*, *Contra Costa Times*, *Sacramento Bee*, *Seattle Times*, *Knight-Ridder Newspapers*, and *Associated Press (AP)*, among other publications. *What's New* entries are regularly picked-up by AP, and go to 1,550 daily

AP member newspapers around the country, representing 98.8 percent of all U.S. dailies and 99 percent of U.S. newspaper circulation. Foreign language versions of *What's New In California* are published throughout the year for the international publicity efforts in Germany, Japan and Latin America, and are available on the California Tourism Web site.

**Web site** – *What's New In California*, feature releases and *Insights* continue to be included in California Tourism's Web site. The Web site will become more "press friendly" in 2001, with the addition of a dedicated page for journalists called the Press Room. Accessible by "clicking" the Press Room button, the page will include *What's New In California*, new themed features, and press kit components such as news releases, California fact sheet, tourism statistics, story ideas, media relations contacts, and additional information useful for developing a California tourism story.

**Press Releases** – Sixteen press releases and media advisories were distributed to the travel media about California Tourism programs, publications, promotions and research findings.

## **Publicity Highlights**

**GEOSpecial Kalifornien** – The entire June/July 2000 edition of the German consumer travel publication, *GEOSpecial* was devoted to California. California Tourism worked extensively with contributing writer Karl Teuschl on researching a portion of the publication. The special California edition is one of the best sellers in the destination series, with a circulation of nearly 200,000 throughout Germany. The advertising equivalency value of the 127-pages of California editorial in *GEOSpecial Kalifornien* is approximately \$1.2 million.

**Departures** – The October 2000 issue of *Departures* features California and includes a 61-page select guide to "The California We Love," plus additional editorial with a California slant. California Tourism assisted Contributing Editor Laurie Werner with research and press trip arrangements. Written for American Express Platinum Card and Centurion Card members, *Departures* is published bi-monthly and has a circulation of approximately 350,000. The advertising equivalency value of the California editorial in *Departures* is estimated to be between \$2 and \$3 million.

## **Crisis Communications**

Provided updates to overseas California Tourism Information Offices and other interested parties regarding wildfires that struck in early August, particularly the Manter Fire in the Sequoia National Forest and Pechanga Fire, east of Temecula.

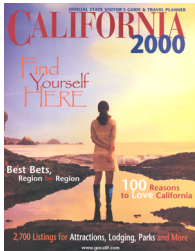
Assisted Plumas County Visitors Bureau with distribution of fall foliage press release via PR Newswire, September 7. Assistance was provided to help offset a loss in tourism in Plumas County towards the end of August and Labor Day Weekend due to a wildfire in the Feather River Canyon.

## **Publicity Evaluation**

In an effort to get a more precise measurement of publicity generated through California Tourism's publicity program, Bacon's Clipping Service was retained to track and analyze published domestic articles that specifically mention California Division of Tourism, California Tourism and/or California Travel and Tourism Commission. Through their reports, we know that at an estimated \$60,000 worth of coverage

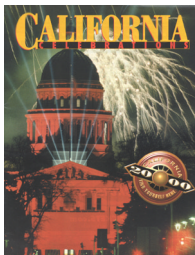
can be attributed to California Tourism. We also know that their reports are more of an indicator, as a certain number of publications are not read by the service. Bacon's Clipping Service does not take into account articles published internationally, or domestic California coverage that does not adhere to the reading and clipping criteria set forth by California Tourism.

## PUBLICATIONS AND VISITOR INFORMATION



**California Official State Visitor's Guide & Travel Planner** – In 2000, the *California Official State Visitor's Guide* and *California Official State Travel Planner's Guide* were combined into a single, more comprehensive publication. Approximately 251,000 copies of the 2000 *California Official State Visitor's Guide & Travel Planner* were distributed through the State's toll free numbers and Web site to visitors planning California vacations. Another 299,000 were distributed in bulk shipments to tour operators, travel agents, DMOs, California Tourism's overseas contractors and by California Tourism's distribution at trade and consumer shows. Meredith Corporation (dba California Tourism Publications [CTP]) mailed guides to members of NTA, ABA, car rental agencies, professional travel agents, and other travel industry professionals. CTP arranged distribution with Certified Folder Display to distribute on the Washington Ferry System and select high-profile locations throughout California. CTP also contracted with Tahoe Distribution for the North and South shores of Lake Tahoe. Requests for packets were up slightly over 1999; this is attributable, in part, to the increased use of the Web site, [www.visitcalifornia.com](http://www.visitcalifornia.com) and links on other Web sites. CTP provided free reader service listings promoting our Web site in *Ladies Home Journal* and *Better Homes and Gardens*. Also, the *American Express Travel Planner* (circulation 2.1 million) heavily promoted our Web site and toll free fulfillment numbers increasing our circulation.

There were no State or Commission funds involved in the production or printing of the 2000 *California Official State Visitor's Guide & Travel Planner*. The guide is advertising supported and completely self-liquidating. Due to successful advertising sales, the guide increased from 216 to 232 pages. Combined circulation of the two guides increased from 485,000 (in 1999) to 550,000 copies in 2000. New features of the guide included: "100 Reasons to Love California", "What's New", and "1850 to 2000: Selected Moments in California's History". Regional sections and listings were revised and featured new photography.



**California Celebrations** – Some 1,200 California events were listed in this guide. In 2000, 400,000 calendars were distributed to travelers considering California vacations. The calendars included special identification of Stellar, Ethnic, Main Street and Sesquicentennial festivals and events. The cost for producing the calendar was approximately \$ 94,150. However, production costs were underwritten through a major sponsorship from Tickets.com for \$40,000. Celebrations was distributed in all fulfillment packets and posted on the California Tourism Web site.



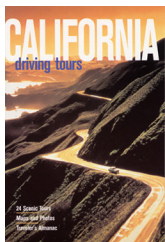
**California Official State Map** – California Tourism, through CTP, contracted with Magellan Geographix to update the Official State Map, including urban maps of Los Angeles, Orange County, the San Diego area, the San Francisco Bay area, Sacramento and the Monterey Bay area. One million maps were printed. 550,000 copies were bound into *California Visitor's Guides*; 30,000 were distributed by Best Western hotels (a major sponsor of the map); 50,000 were distributed by Info Systems throughout Arizona and Utah; each sponsor received quantities for self-promotion. The remaining inventory was distributed by California Welcome Centers,



convention and visitor bureaus, chambers of commerce, travel agents, tour operators, California agricultural inspection stations (after CTI map inventory was depleted) and through California's international offices. No state funds were utilized in this project. All costs for production were advertiser supported.



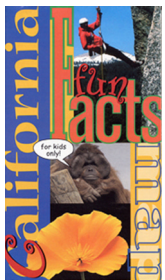
**California Travel Ideas Map (CTI)** – Winter 2000 was the 8<sup>th</sup> edition of this map. In 2000, one million copies of the map were distributed biannually at California's 16 agricultural border stations, California Welcome Centers, convention and visitor bureaus, chambers of commerce, major airports, travel agencies, tour operators, and trade shows. In addition, CTP arranged distribution through *Ladies Home Journal*, *Better Homes and Gardens*, 10 major California airports, Certified Folder Display, and Western Brochure Distributors. Each advertiser receives a specified quantity. The map featured lodging and attraction discounts throughout the state. Advertising revenues underwrote the cost of producing the maps.



**California Driving Tours Guide** – California's love affair with automobiles and the open road continued with the revision and release of *California Driving Tours* in July 2000. A full-color, 48-page publication, the guide contains 24 driving tours throughout the state. Special features include a traveler's almanac, maps, and a kid's page.

The guide highlights California's scenic byways, highways and back roads and will lead travelers to cultural heritage and recreational opportunities; magnificent mountains and regions abundant in pioneer history; rushing rivers and glittering lakes; resplendent redwood forests and diverse wildlife habitats; fertile valleys and rolling vineyards; breathtaking coastal retreats and remarkable desert expanses.

*California Driving Tours* has a circulation of 500,000 copies. Produced by California Tourism and CTP, the guide was sponsored by Ramada Inns, San Luis Obispo County Visitors & Conference Center, LEGOLAND California, Knott's Berry Farm, California State Parks, Long Beach Aquarium of the Pacific, and The Wax Museum Fisherman's Wharf. Copies of the guide are available through: 800/GO-Calif, 800/TO-Calif, or [www.visitcalifornia.com](http://www.visitcalifornia.com). California Tourism distributed more than 100,000 copies before year's end and Ramada Inns distributed 44,000 copies to participating properties. Production costs for the guide were approximately \$110,000. Advertising revenues underwrote \$50,000 in production costs; California Tourism paid \$24,000; and \$36,000 was underwritten by advertising banners on the California Tourism Web site.



**Student Packet** – Approximately 40,000 elementary school children write to California Tourism annually requesting information for school projects. Three years ago we developed the *Really Smart California Map* in response to these requests. In 2000, the map was revised and renamed *California Fun Facts Map*. The front of the map provides students with information about California history, earthquakes, California icons, famous Californians and more. The back side is a full-size California map. The project was co-sponsored by the Fun Spots attractions and 100,000 copies were reprinted – an increase of 50,000 copies. California Tourism's investment was approximately \$30,000; advertising revenue underwrote \$30,000 in production costs.

**Fulfillment Contract** – Tickets.com/BASS (d.b.a. Destination Marketing Services) was awarded the fulfillment contract in early 1997. Tickets.com/BASS telemarketers currently answer both toll free numbers (1-800-TO-CALIF and 1-800-GO-CALIF). Tickets.com/BASS subcontracts with FYI Direct to provide actual fulfillment services for California Tourism. The contract was renewed in 1999 for a third year, but it was mandatory the program go out to bid in early 2000. The RFP for telemarketing



and fulfillment services was advertised in March 2000 and only two proposals were received. In July, the contract was re-awarded to Tickets.com. In late October, California Tourism received a letter from Tickets.com notifying us that they were terminating services as of March 15, 2001 pursuant to Section 1(b) of the contract. Due to the critical nature of this contract, the program determined there wasn't sufficient time to go back out to bid. Through a single source request (where one contractor out of 2 or 3 who may perform the required services is identified, but time constraints don't allow for lengthy competitive bid process) Alert Communication Co., 5515 York Blvd., Los Angeles, CA 90042, was chosen. The single source justification is being processed and will be sent to General Services before the end of January. As soon as the justification is approved, we will begin the lengthy process of transferring all fulfillment services from Tickets.com and FYI Direct to Alert.



**Web site** – California Tourism's Web site at: [www.visitcalifornia.com](http://www.visitcalifornia.com), averaged 3,861,000+ hits per month and, at peak, received more than 4,517,766 hits per month, an increase of 55% over the previous year. Activity on [www.visitcalifornia.com](http://www.visitcalifornia.com) nearly tripled after the advertising campaign began in February. Virtually thousands of state and federal agencies, DMOs and attractions are now linked to the site, providing travelers with a central location to find travel planning information about California. New features for 2000 included: *Driving Tours Guide*, *Adventure's in Wild California*, California Welcome Centers, banner advertising, user survey, and foreign translations of the "Regions" section of the site. Plans are under way for a complete redesign of the Web site in mid-2001. The Marketing Store, a Sacramento-based design firm, was hired to redesign the site. New features will include : a Press Room and information for international markets – including additional translations. California Tourism has been aggressively searching out and purchasing new domain names for the California Tourism Web site. The program purchased [www.visitcalifornia.com](http://www.visitcalifornia.com) and that has become our advertised URL. However, other names we currently own, ([www.californiatourism.net](http://www.californiatourism.net); [www.californiatourism.org](http://www.californiatourism.org); [www.gocalif.ca.gov](http://www.gocalif.ca.gov); [www.gocalif.com](http://www.gocalif.com); [www.gocalifornia.org](http://www.gocalifornia.org); [www.visitca.org](http://www.visitca.org); [www.visitcalifornia.com](http://www.visitcalifornia.com); [www.visitcalifornia.org](http://www.visitcalifornia.org); [www.visitcalifornia.net](http://www.visitcalifornia.net); [www.800california.org](http://www.800california.org); [www.californiavacations.org](http://www.californiavacations.org); [www.californiavacation.org](http://www.californiavacation.org)) are mirrored back to this site.

## CALIFORNIA WELCOME CENTERS

Four new welcome centers joined the network of California Welcome Centers in 2000: Los Angeles, Arcata, Oceanside and Merced. Continuing to service travelers are the California Welcome Centers in Rohnert Park, San Francisco, Anderson and Barstow.

The California Welcome Center program provided training sessions for center staff, resource manuals, quarterly meetings with Center administrators and unscheduled inspections. All California Welcome Centers are now identified in the State's *Visitor's Guide*, on State tourism maps and the Web site. California Tourism works with Caltrans' Office of Signs, Delineation and Technical Support regarding sign specifications. The California Welcome Center administrators actively participate in the Travel Industry Association's "State Travel Information Center Director's Alliance (STICDA)" for educational and marketing support.

## TRAVEL TRADE DEVELOPMENT

### CALIFORNIA COUNTRYSIDE PROGRAM

California Tourism defines lesser-known and under-utilized destinations as being the State's rural regions and ethnic communities. The rural regions are: Inland Empire, Deserts, Central Coast, Central Valley, High Sierra, Gold Country, Shasta Cascade and North Coast. Ethnic communities are found both in urban and rural regions. California Tourism terms the marketing of these regions the California Countryside Program.

- ***Countryside Marketing Funds*** - In this program year, \$25,000 was provided to each of the eight rural regions in the form of marketing funds. This funding includes specific allocations for regional participation in international travel and trade shows, and for support of regional tourism publications. The rural regions used the grant funds to attend both international and domestic travel or trade shows, to produce regional brochures and guides, CDs and Internet sites and to purchase advertising space. Over 400,000 contacts are attributed to the funding provided by the Countryside Marketing Funds, at a cost of \$0.34 each. When determining the number of new visitors resulting from trade show contacts in 2000, it should be realized that many contacts will retain the regional information picked up at travel trade shows and utilize it at a later date or share it with other potential visitors. The cumulative impact of regional representation at travel trade shows may not be felt until one to two years after the actual show date.
- ***Agri-tourism Work Group, UC Davis*** – California Tourism is represented on the Agri-tourism Work Group sponsored by the Small Farm Center of the University of California, Davis. The Work Group includes members of the agricultural community as well as tourism professionals who are interested in developing and marketing agri-tourism in California. Workshops have been held in northern and central California, and more are planned. A sub-group in the Central Valley is developing a list of agri-tourism sites in the Central Valley with plans to make the list available as a map of the Central Valley in the near future. A statewide directory is being compiled of agri-tourism sites for publication in spring 2001.

### NATIONAL MARKETING

***California Connection*** – Tourism continued to build its outreach to the domestic trade by cooperatively working with California Connection, a private/public marketing coalition consisting of approximately 100 destinations, attractions, transportation companies, etc. California Tourism gained positive identification by:

- Co-sponsoring the Tour Operator Retreat finale dinner in Pittsburgh, PA (March 2000), updating key tour operators on California "product" with various educational components of California's "fascinating" facts
- Co-sponsoring "dine-around" dinner for tour operators at National Tour Association's (NTA) annual convention in Salt Lake City, UT

- Co-sponsored the annual "Ship To Home" program at the annual NTA convention in Salt Lake City, UT

***National Tour Association (Salt Lake City), November 10-13*** – California Tourism conducted more than 90 buyer appointments during the 2000 event. To help the industry make the most of its attendance at NTA, Tourism presented marketing updates and travel statistics at the first pre-NTA caucus.

***Domestic Marketing Committee*** – In response to the industry's request for greater state effort in domestic marketing, a domestic marketing subcommittee was created from the existing Travel Trade Development Committee. This group is providing information in relation to individual domestic marketing efforts and suggestions as to where state leadership and involvement is most needed.

## INTERNATIONAL MARKETING

### Overview

International visitation accounts for approximately 4% or 10 million of California's annual 282 million visitor trips. Although a small percentage of the total, the international visitors are highly coveted due to their tendency to spend more and stay longer than domestic travelers. In addition, foreign visitors travel midweek and off-season, bringing valuable revenue to a community. California's popularity worldwide assists the state in maintaining its ranking among the top two U.S. destinations for the international traveler.

***Reiseliv (Norway), January 5-9, 2000*** – California distributed some 2,000 *Visitors Guides* at this key consumer and trade exhibition in Oslo. Utilizing the Visit USA Committee and U.S. Foreign Commercial Service operations, collateral was distributed without the presence of a California representative. Buyer leads and additional consumer fulfillment requests are forthcoming.

***Western Canada Sales Mission (Calgary, Edmonton, and Vancouver), January 9-14*** – California Tourism participated in the second annual Canadian Sales Mission organized by the San Diego Convention and Visitors Bureau. Sales calls were conducted in Vancouver at Canada 3000 Holidays, Signature Vacations, World of Vacations and Air Transat Holidays to give reservation agents an update of what's new in California. Tabletop trade shows and presentations for the retail travel agent were conducted in all three cities. Attendance was as follows: Vancouver, 136; Edmonton, 108; and Calgary, 127. In addition, local tour operators exhibited in the trade shows in all three cities.

***Visit USA Switzerland (Zurich), January 18-19*** – Following the success of last year's "Taste of California" exhibit at the show, California returned to operate a one-person stand. Nearly 2,000 *Visitor Guides* were distributed to the Swiss travel trade. Tourism's German representative was present on behalf of the State.

***DER Roadshow (Germany), January 20-30*** – California Tourism recruited five industry partners to cooperatively support DER's annual roadshow in seven German cities. Tourism's German office organized the California support and represented the delegation.

***Receptive Service Association (RSA) Summit Conference (New York), February 2-4*** – Forty-four receptive operator companies from throughout the United States attended the annual RSA conference. Breakout sessions discussing major tourism issues and one-to-one meetings were conducted throughout the three-day event.

***California Travel Market (San Jose), February 8-11*** – California Tourism played a key role in the coordination of the fourth annual California Travel Market. One hundred and thirteen tour operators and 14 journalists from 13 countries attended the three-day event which featured pre-and post-site tours, interactive educational sessions and one-to-one marketplace appointments. “California on Location” was the theme of the interactive educational sessions where buyers received first-hand knowledge of all twelve regions of the state. The marketplace consisted of 27 individual 15-minute appointment sessions. CTM brings together buyers and press with California suppliers representing destinations, attractions, accommodations, restaurants, shopping facilities, specialty tours, receptive operators and transportation companies.

***California Breakfast Seminar (Costa Rica), February 15*** – California, in cooperation with United Airlines, conducted a breakfast presentation for 125 travel agents. During a table-top trade show, Tourism also met with several of the major tour operators in Costa Rica.

***Visit USA Travel Seminar (Helsinki, Finland), March 9*** – Another good example of how Tourism continues to reach out to new and developing markets without incurring great expense and valuable staff time. Tourism contracted with Visit USA event organizers to distribute California materials to 107 travel agents attending and 30 Visit USA members attending.

***International Tourism Boerse (Berlin, Germany), March 11-15*** – Twenty-five companies exhibited on the California stand, marking the largest delegation ever to attend this key European travel trade and consumer exchange. Annual trade attendance exceeds 50,000 and consumers number more than 150,000 from throughout Europe. A trial screening of *Adventures in Wild California* and “Taste of California” was presented to approximately 50 United Airlines Germany staff, film and event sponsors, and selected tour operators. Restaurateur Mitchell Sjervan and executive chef Charles Fredericks of bouchon in Santa Barbara and Gallo of Sonoma treated guests to California’s finest foods and wines.

***“Taste of California” Tour Operator Event (London), March 13*** – Tourism orchestrated a successful VIP event featuring Mitchell Sjervan, proprietor of bouchon restaurant in Santa Barbara, and executive chef Charles Fredericks. The duo treated 12 top-producing UK tour operators and the Leisure Sales Manager for United Airlines UK to an evening of fine food and wine from California. The event, conducted at the California Technology, Trade and Commerce Agency, International Trade and Investment Office, was touted by the UA representative as the “most intimate and special experience I have ever had in all my years in the travel industry”. The format was so successful it is being incorporated into programs in other markets.

***Visit North America Seminars (Copenhagen, Denmark), March 16*** – California Tourism coordinated a cooperative industry effort at the annual Visit USA Danish travel trade seminars where California was a “featured” destination. The California presence was co-sponsored by 11 companies and included a 30-minute educational presentation to more than 200 Danish trade and media. United Airlines, in partnership with its Star Alliance Partners, Lufthansa and Scandinavian Airlines, provided key support for the event. Again, the talents of bouchon proprietor Mitchell Sjervan

and Charles Fredericks were a focal point.

***Travel Industry Association (TIA) Seminar (Mexico City), March 22*** – California Tourism, a member of the United Destinations cooperative group sponsored by United Airlines, conducted a workshop at the TIA seminar in Mexico City as part of Expo Vacaciones. Approximately 400 travel trade members attended the 10-minute California laptop presentation which featured the geographical diversity of the state.

***Expo Vacaciones (Mexico City), March 23-24*** – California Tourism and five other companies exhibited at the annual travel trade show in Mexico City. Brochure distribution was provided for 13 additional California companies. As this exhibition continues to suffer from logistical problems resulting in diminishing attendance, Tourism is investigating more efficient alternatives to reach the Mexico City market.

***BRAZTOA (Sao Paulo), March 23-24*** – California, through its Brazil representative South Marketing, was represented at this semi-annual travel trade exhibition, which attracted over 1,500 travel trade.

***Visit USA Brazil (Sao Paulo), April 2-3*** – California's presence consisted of 10 companies at the annual Visit USA Show organized by the US Commercial Service and CONEX Promotions. New Portuguese foreign language brochures were distributed along with the *Visitor's Guide*. California banners were positioned at each booth to enhance the State's overall presence. Approximately 2,500 trade and media attended the exhibition.

***VISIT USA Opening Breakfast (Sao Paulo, Brazil), April 3*** – California, Las Vegas and Puerto Rico teamed up with United Airlines to sponsor the opening breakfast of the annual Visit USA Show. As a sponsor, California Tourism conducted a laptop presentation to more than 100 travel agents in breakout sessions.

***Sales Calls (Sao Paulo and Rio de Janeiro, Brazil), April 3-5*** – California Tourism conducted sales calls on several major tour operators in Sao Paulo and Rio de Janeiro including CVC, RCA, No Limits, New It Club, and Soletur. The positioning of California product in brochures, packaging, recent tourism developments and future promotions were discussed.

***Tour Operator Luncheons (Sao Paulo and Rio de Janeiro, Brazil), April 3-5*** – California Tourism organized a tour operator luncheon in each city for seven cooperative partners who were able to network with the major tour operators in attendance. The menu for each event featured 'California cuisine' and wine. It was the first cooperative California event in Rio in approximately six years.

***Visit USA (Buenos Aires, Argentina), April 6-7*** – California Tourism participated in this annual exhibition with brochure distribution provided by a representation company in Buenos Aires. Aerolinea Argentina and United Airlines have applied for non-stop routes from Buenos Aires to Los Angeles. If these routes are awarded, visitation from Argentina should significantly increase.

***Visit USA (Santiago, Chile), April 10*** – As part of the Visit USA committee in Chile, California provided brochure distribution together with the four other California companies. Attendance at the show was very good with approximately 1,000 travel agents. Meetings were held with Lan Chile as the company has a direct flight to LAX during six months of the year.



***Travel & Leisure Show (Toronto, Canada), April 27-30*** – California Tourism participated in the T&L Show by way of brochure distribution through Visit USA's Showcase organization. The exhibition consisted of a trade evening with approximately 1,500 travel trade visitors attending, as well as 18,000 visitors during the consumer weekend. Visit USA distributed Tourism's primary publications and trade materials. Participation provided California to obtain high visibility at an extremely low cost.

***ARLAG (Guadalajara), May 3-5*** – Thirty-eight California companies exhibited at the trade show portion of ARLAG, an annual retail travel agent and airline exhibition. Approximately 425 travel agents from more than 25 Mexican states participated in a series of seminars and workshops. Prescheduled tour operator appointments were introduced this year which added to the overall productivity of the program. The California delegation sponsored the closing event which attracted more than 500 travel agents, tour operators, media and airline representatives. Major co-sponsors of the event were SeaWorld of California, San Diego Wild Animal Park and World-Famous San Diego Zoo, RTU, Pacific Coast Sightseeing, San Diego CVB and LEGOLAND.

***Air New Zealand UK "Pacific Wave" Seminar (Fiji), May 5-7*** – As part of the airline's efforts to highlight its South Pacific and California product, California Tourism conducted a series of educational seminars to 150 qualifying UK agents. The agents were qualified over a three month period by reaching several sales goals and passing a number of tests related to geography, Air New Zealand product, routes, etc.

***Travel Industry Association of America's International Pow Wow (Dallas), May 12-18*** – California Tourism jointly shared a quad booth with the California Travel Industry Association (CalTia) at this premiere international travel trade marketplace. Ten staff, including Tourism's five overseas office representatives, conducted appointments with approximately 250 buyers from more than 45 countries, including California's most important markets. Japan, UK, Germany, Brazil, Canada and Australia. California banners were once again positioned within each of the 225 California booths to provide better visibility and a unified appearance.

Additional activities coordinated by Tourism at last year's Pow Wow included: a market briefing for all California exhibitors, including the state's five overseas office representatives, and a trial screening of *Adventures in Wild California* for United Airlines corporate staff and regional office representatives. As many of the airline's key international and corporate managers had not seen the film, the screening was critical in the follow-up discussions involving promotional and trade development market strategies for each region.

***European Incentive Business Travel Mart (Geneva, Switzerland), May 23-25*** – California Tourism provided a platform by which 17 California companies conducted business with European incentive and conference event organizers. Approximately 150 pre-scheduled appointments with buyers/planners were coordinated for the delegation. At last years show, one destination secured two contracts which accounted for more than \$300,000 in revenue for the city.

***United Airlines Germany Inaugural Flight Event (Frankfurt), May 25*** – In support of the airlines' June 8 launch of non-stop service from Frankfurt to San Francisco, California Tourism co-sponsored a trade event and assisted in securing support from the travel industry.



***Visit USA Ireland Independence Day Event (Dublin), July 4*** – California Tourism teamed up with Ironstone Vineyards in Murphys, California to sponsor the wine for this trade and consumer event. Ironstone's distributor in Dublin provided a range of products and Tourism distributed California publications.

***UK Travel Industry Awards (London), July 8*** – California Tourism co-sponsored two tables with the San Diego County Convention and Visitors Bureau and Anaheim/Orange County Visitor and Convention Bureau at this annual event to recognize top-producing UK buyers and airlines. Fifteen key decision-makers from within the UK travel market were the guests.

***Addison Travel Trade Shows (Victoria, Vancouver and Langley, British Columbia), August 22-24*** – California Tourism shared booth space with two other California companies at the fall series of these successful travel agent shows. Attendance at the three shows was more than 1,200.

***World Travel Fair (Osaka), August 25-27*** – Tourism's Japan representative coordinated a California section at this biannual consumer/travel fair. Industry partners at the show included Universal Studios, Los Angeles Convention and Visitors Bureau and San Jose Convention and Visitors Bureau, as well as numerous brochure participants. There were a total of 88,059 attendees at the show, including 14,059 travel trade and 74,000 consumers.

***La Cumbre (Anaheim), September 5-7*** – After five years of lobbying, California Tourism successfully convinced La Cumbre management to bring this key Latin American travel trade exchange to the state. With the assistance of the Anaheim/Orange County Visitors & Convention Bureau, the show's inaugural appearance on the west coast was successful in raising buyer awareness of the destination. More than 625 travel trade and media representatives from Latin America attended the exhibition along with nearly 300 exhibitors, 70 of which were from California (200% above average). California Tourism coordinated the closing event, which featured various impressions of California and was largely supported by sponsorship from participating California exhibitors. Key features of the event included a "Taste of California" presented by four California restaurants, an actress from "Baywatch," and live models showcasing California lifestyle, clothing, shopping, sportswear, etc. Feedback was extremely positive and show management continues to receive complementary statements from the buyers.

***UK Tour Operator Event (London), September 9*** – California Tourism co-sponsored a UK buyer dinner event along with The Beverly Center in Los Angeles. Ten tour operator representatives were hosted.

***ABAV – Salvador de Bahia (Brazil), September 15-18*** – California Tourism, Anaheim/Orange County Visitor & Convention Bureau and Mammoth Lakes Visitors Bureau cooperatively shared booth space with United Airlines at this most important travel trade show. California wine was made available for buyers and media throughout the business sessions.

***Travel Agency Sales Calls (Boston), October 2-3*** – While preparing for the debut of *Adventures in Wild California* in Boston, sales calls were conducted on 10 travel agencies in the region. Sales call discussion included an overview of resource materials from California Tourism as well as itinerary assistance.

***Travel Agency Sales Calls (Toronto), October 4-5*** – While preparing for the VIP event featuring *Adventures in Wild California*, California Tourism conducted sales calls on 12 incentive, meeting planner, and retail travel agencies. Sales calls included the challenges of selling California due to the current economic climate in Canada as well as the distance and time factor. Local food and beverage costs, specifically the room and catering taxes in California, were also raised as a deterrent. An overview of resources available to the different industry sectors was also presented.

***ITME/Motivation Show (Chicago), October 9-11*** – In response to the industry's requests to play a bigger role in the pursuit of incentive business, California Tourism attended this key domestic incentive exhibition. As California Tourism exhibited independently of any industry partners, its primary focus was to observe other destination stands as well as the overall coordination of the California section. Although quite sizable, California Tourism concluded that the section lacked an umbrella presence and did not appear to have nearly the visibility of other destinations. Show management has been contacted in an effort to discuss how to obtain a higher profile, more organized presence at the 2001 exhibition can be obtained.

***Visit USA Fair (Tokyo), October 25-26*** – California Tourism's Japan representation office coordinated a cooperatively shared booth section for the California industry. A travel trade exhibition, the event attracted nearly 1,000 trade and media representatives. California conducted a one-hour educational presentation featuring the booth partners and a trip give-away to California.

***Australia and New Zealand Sales Mission, October 26-November 3*** – As part of California Tourism's continued efforts to expand awareness of California among the Oceania travel trade, it conducted its first-ever dedicated training program in the region. Coordinated by the industry's jointly sponsored representation office in Sydney, a series of travel agent, tour operator and media events were conducted. The travel agent events in Sydney, Brisbane, Melbourne and Auckland featured training seminars/presentations while the tour operator and media events focused on networking and relationship building. The "Taste of California" theme was carried throughout as Matt Eoff, owner and chef of the Restaurant at Convict Lake, prepared menus and monitored preparation of each event's food and presentation. Overall, the effort was successful in allowing California to expand the geographical knowledge of the trade, however, attendance fell short of expectations and a number of operational deficits occurred. Fortunately, these shortfalls are easily rectified. The program will be conducted again in 2001 and then possibly every two years after that.

***World Travel Market (London), November 12-16*** – Tourism debuted a new theme for its booth at the world's largest English-speaking travel trade exhibition. "On Location" featured a statewide emphasis on the film industry and highlighted the *Adventures in Wild California* IMAX film. The stand design, constructed by newly acquired CONEX Promotions, will be featured for the next two years with slight modifications. This year's stand design included a perimeter counter position for each of the 30 exhibiting California companies, a wine tasting bar, large-format destination photos, artwork from the IMAX film, and a six-minute loop-video presentation of the film. For the first time, a winery (Ironstone Vineyards) participated on the stand as an exhibitor and also provided wines for the daily tasting. Buyer traffic was heavy and some exhibitors felt buyers were much more serious than in year's past, returning some validity to the show.

The annual California VIP event, held at the British Association of Film and Television Arts (BAFTA), featured a trailer of the IMAX film followed by "Meet the Parents", the newly-released Universal Studios comedy starring Ben Stiller and Robert DeNiro. The "Taste of California," a highlight of the BAFTA event, featured restaurateur Mitchell Sjervan and executive chef Charles Fredericks of bouchon in Santa Barbara. Rave reviews were received for both the event and the stand design.

***Aer Lingus Reservation Agent Presentations (Dublin), November 17*** – In order to maximize time in Europe, California Tourism conducted educational training for approximately 80 reservation agents for Aer Lingus Vacations. This was the first time California provided training for the airline's tour packager and noted that greater educational efforts are needed. Few of the agents had ever been to the U.S. or California. More presentations will be conducted in 2001.

***Tour America Trade Show (Dublin), November 20*** – California Tourism joined a number of U.S. destinations and suppliers at the inaugural Tour America trade show and educational training session. Tour America, one of Ireland's top-five producers to the States, coordinated a table-top trade exhibition as well as 30-minute travel agent educational seminars. The California's twelve tourism regions of the state were highlighted as well as geographical proximity of lesser-known areas to the major gateways.

## **Familiarization Tours (FAM)**

***Qantas/Visit USA Australia (Buena Park, Anaheim, San Diego, Mammoth Lakes, San Francisco), February 26-March 4*** – Integra Tourism Marketing, California Tourism's Australia representative, successfully recruited this fam which consisted of eight Australian agents and two escorts.

***Australia Representative (Mammoth Lakes), March 29-31*** – California Tourism staff escorted Leeanne Dyer of Integra Tourism Marketing, the state's recently appointed Australian general service agent, to Mammoth Lakes. Mammoth is one of five founding destination partners in the Australia contract and hosted Ms. Dyer on her first visit to the area.

***Air New Zealand UK "Pacific Wave" (West Hollywood, Santa Barbara, Big Bear), April 29-May 5*** – As part of the sponsorship for ANZ's Pacific Wave campaign, California hosted 15 of the UK's top producing travel agents for this educational tour. The tour was escorted by California Tourism's London representative.

***Australia Ski Fam (San Francisco, Mammoth Lakes), May 7-12*** – Tourism's newly appointed Australia office organized this fam for three top ski wholesalers and one media representative. Sponsored by United Airlines, the fam also featured Bodie State Historic Park.

***COSMOS Tour Operator Fam (Los Angeles, Santa Barbara, Solvang, Monterey, San Francisco), May 31-June 5*** – Cosmos, a UK tour operator, sponsored 16 agents with United Airlines. Six of the participants were selected via a competition in *Travel Weekly*, a key travel trade publication. The remainder of the group consisted Cosmos' eight top-producing front-line staff and two company escorts.

***Explore Holidays Australia (Anaheim, Buena Park, Laguna Beach), June 2-5*** – Sponsored by Explore Holidays and Air New Zealand, 15 agents from five different states within Australia participated.

***Scandinavian Airline System (SAS), (San Francisco, Los Angeles), August 25-29***

– As part of our agreement with the airline for its sponsorship of the California presence at the Visit USA Denmark exhibition in March, the airline brought eight of its tour operators to see first-hand what they learned about during the exhibition. California Tourism conducted a one-hour educational seminar on the tail-end of the trip.

***Post-La Cumbre Fam (San Jose), September 8-10*** – Twelve Latin America buyers participated in the post-La Cumbre fam to San Jose.

***Post-La Cumbre Fam (Los Angeles), September 8-10*** – Eighteen buyers from Latin American participated in the post-La Cumbre fam to Los Angeles and surrounding areas.

***Post-La Cumbre Fam (Mammoth Lakes, Lake Tahoe), September 8-11*** – Eight buyers from Latin America participated in the post-La Cumbre fam to Mammoth Lakes and Lake Tahoe.

***Post-La Cumbre Fam (Newport Beach), September 8-10*** – Twelve Latin America buyers participated in the post-La Cumbre fam to Newport Beach. Participants also spent a day on Catalina Island.

***Aer Lingus Vacations (San Francisco, Monterey, Santa Barbara, Los Angeles, Mammoth Lakes, Yosemite), September 10-20*** – Coordinated site inspections for Aer Lingus Vacations product buyers.

***United Vacations Australia (Los Angeles, Central Coast, San Francisco), September 25-30*** – California Tourism coordinated site inspections and attraction visits.

***BANCOR/VARIG FAM - October 2-8*** – A fam tour was conducted for media from Argentina in association with Bancor Travel, a Latin America receptive operator from Miami, and Varig Airlines. The purpose of this trip was to generate press to create activity for travel to California from Argentina as added support for Bancor advertising of their California product. Six journalists from major newspapers and magazines participated in the fam that took them to San Diego, Anaheim, Santa Monica, Los Angeles, and Long Beach.

***United Airlines UK (Anaheim, Palm Springs, North San Diego and San Diego), October 8-14*** – Ten of United Airlines UK top tour operators, along with an escort from United Airlines and Liz Arnold-Smith from California Tourism's UK office, participated in the Southern California fam.

***Brazil Tour Operator Business Fam, October 25-November 1*** – Nine of the major tour operators participated in this fam tour that included all of the contract partner destinations. United Airlines and South Marketing selected the participants and companies. All operators participated in the San Diego/Anaheim/Los Angeles/San Francisco portion. From Los Angeles the ski operators traveled through Mammoth-Lakes and Lake Tahoe and those operators specializing in fly/drive packages traveled up the central coast. All participants convened in San Francisco. Receptive tour operators, hoteliers, and major attractions conducted detailed presentations in San Francisco.

***Billetkonteret (San Francisco, Carmel/Monterey, San Simeon, Santa Barbara, Los Angeles), November 26-December 1*** – Billetkonteret, a Danish tour operator, sponsored this fam for 10 of its agents. Tourism assisted with some of the site inspections and attraction visits.

***Tour America (San Francisco, Monterey, Santa Barbara, Los Angeles), November 25-30*** – Tour America, one of the top-five producing wholesalers in Ireland, sponsored this fam for 10 of its top-selling agents. Tourism assisted in arranging some of the site inspections.

***TravelPack (Anaheim, Buena Park), December 4-9*** – TravelPack, a leading travel agency network in the UK, brought 10 of its leading sales representatives to see the latest developments in Orange County. California Tourism secured rooms, site inspections and attraction visits.

***Air New Zealand UK Incentive Fam (San Diego, Palm Springs, Santa Monica), December 5-10*** – California Tourism's London representative recruited this first-ever incentive- buyer fam sponsored by the airline to California. Five key corporate accounts from major European automotive, technological and financial firms were represented.

## **Meetings**

***Agent Kai – U.S. Based Japan Wholesaler Representatives*** – Ko Ueno, member and California's Japan representatives, attended each of the Agent Kai group's monthly meetings and various social activities throughout the year. Ko's presence within the group is highly regarded and assists California in staying on top of key issues affecting the Japan market.

***Consumer Co-op Marketing Committee*** – Met with three other members of Committee at various times throughout the year to review and evaluate proposals for consumer marketing campaigns in international markets.

***California Food and Agriculture*** – Met with marketing manager on regular basis to discuss joint promotional opportunities as part of California Tourism's continued efforts with California food and wine products. In addition, various meetings with food commodity boards (rice, tomatoes and walnuts) occurred throughout the year to consider cross-promotion efforts.

***California Travel Market Executive Board*** – As co-sponsor of CTM, participated on the Board in making development decisions.

***California Wine Institute*** – Tourism staff met with a representative of the California Wine Institute to discuss future joint promotional opportunities.

***International Advisory Committee*** – The committee, comprised of staff from destinations, transportation and receptive operators, met three times during the year. The committee assisted the state in finalizing its annual marketing plan, provided critical feedback on program development, addressed industry concerns, discussed research objectives and needs, and evaluated promotional opportunities. For 2001 and beyond, the committee is being renamed The Travel Trade Development Committee as a result of domestic marketing being incorporated into the group's focus.



***International Trade and Investment Offices, Worldwide*** – Throughout the year, overseas tourism representatives maintain regular contact with ITI offices in UK, Germany and Japan. In addition, wherever possible, California Tourism staff met with ITI staff when in-market in order to keep updated on promotional efforts being made in the region.

***Sonoma County Wineries Association (Sonoma), November 27*** – Conducted Association presentation regarding successful joint-marketing efforts between United Airlines and California Tourism in an effort to create interest in future activities.

***Travel Industry Association of America – Marketing and Research Committee (ongoing)*** – California Tourism participated on the committee to assist TIA in building a strategy to increase its foreign marketing efforts on behalf of the U.S.A.

***United Airlines - Corporate and International Regional (ongoing)*** – In a continuing effort to maintain strong relations with United Airlines internationally as well as reach out to the Star Alliance partnership, California Tourism met with various airline corporate and regional managers around the world throughout the year. The meeting topics varied, but consisted of joint marketing the United Destinations brand with four other United gateways, development of launch activities/promotions revolving around *Adventures in Wild California*, airline sponsored/organized regional and global conferences, jointly sponsored travel trade and consumer activities, new route launches, etc.

***Visit USA Committees (Germany, UK, Australia, Japan)*** – Tourism's representatives serve on the Committees wherever possible. They attend regularly scheduled meetings to voice California's position on promotional matters, and provide support.

## **Consumer Outreach**

***Consumer Co-op Campaigns*** – Granted approval to United Vacations for underground tube panel promotion (February 2001), California Holidays (2000-2001), Ski Tahoe (Winter 2000/2001), and Premiere Holidays UK/America Direct (2000-2001).

***Consumer Trade Shows*** – See Travel Trade Development section.

***London International Wine Fair (March 16-18)*** – California Tourism provided support for the California Restaurant at the Fair, which was the only one of four destination-sponsored restaurants to sell out during the three-day event. Tourism publications were distributed to all patrons of the restaurant.

## **Miscellaneous**

***California Highlights*** – Released two issues of California Tourism's biannual travel trade newsletter. "Spotlight Destinations" this year included Graeagle, Pasadena, Carlsbad and Berkeley. More than 3,000 international and domestic buyers receive the newsletter.

***California Travel Supplement (Panrotas, Brazil)*** – California Tourism coordinated the advertising and publication of a 64-page California dedicated supplement with *Guia Panrotas*. *Guia Panrotas*, the number one travel trade publication in Brazil, reaches 9,500 Brazilian travel agents and tour operators and more than 2,000 corporate firms. In addition to the mailing, an over-run was printed for California Tourism to distribute at travel trade shows, sales calls, workshops, etc.



**Visit USA Committees/Centers (worldwide)** – Wherever possible, California Tourism maintains membership in the local market Visit USA Committee, comprised of in-market representatives of US companies, local tour operators and airlines. These affiliations allow the state to distribute collateral to the travel trade and consumers and participate in various trade/consumer promotional activities.

## **Foreign Offices**

**Australia** – The first year of Tourism's official presence "down under" made great strides in improving California's position in the market. The day-to-day presence, co-sponsored by the bureaus of Mammoth Lakes, San Francisco, San Diego, Anaheim, Buena Park and Los Angeles, helped keep the state more top-of-mind through sales calls, educational training, promotional opportunity recruitment, media outreach and familiarization tour development. As part of their first-year efforts, Integra Marketing produced California's inaugural sales mission, as well as assisted in the promotional development surrounding the release of *Adventures in Wild California* in the market.

**Brazil** – South Marketing proved its worth during its first-year by utilizing its existing relationships to gain higher visibility for California Tourism and its representation sponsors Los Angeles, San Francisco, San Diego, Anaheim, Mammoth Lakes and Ski Lake Tahoe destination marketing organizations. In addition to its main activities of conducting sales calls and educational training, South Marketing helped double the number of trade events California attended. One of the organization's most notable achievements was the successful recruitment of *PANROTAS*, Brazil's most influential travel trade magazine, and its first-ever production of a California destination piece.

**Germany (Austria and Switzerland)** – Marketing Services International (Msi) continues to prove instrumental in German speaking Europe. The organization's strong relationship with United Airlines in Frankfurt has played a significant role in developing opportunities for the state and its bureau partners San Francisco, Anaheim, San Diego, Los Angeles, Palm Springs, Mammoth Lakes, Sacramento and North Lake Tahoe Resort Association. Msi's efforts in developing the promotional campaign for the release of *Adventures in Wild California* in Germany in the fall of 2000 was critical and its assistance in the launch of the United Airlines inaugural flight event for the Frankfurt-San Francisco route was highly regarded by the airline.

**Japan** – Currently, the Japan representation office is funded solely by California Tourism, but may likely be opened up to industry co-sponsorship in 2001. Ko Ueno continues to provide extensive coverage for California in his enthusiastic outreach efforts which include: appointments with top professionals within the wholesale operator community, development of niche market fam tours for lesser-known regions, California section organization at strategic trade events, obtaining valuable media exposure, and distribution of California materials to the trade and consumer are part of his day-to-day activities. One of Mr. Ueno's most valuable talents is his ability to recruit significant buyer attendance for CTM (sometimes as much as one-third).

**United Kingdom** – Marketing Services Travel and Tourism (MSTT), the state's tourism representative for nearly eight years, has been invaluable in securing California's positioning in tour wholesaler brochures to a near-saturation level. The organization's outreach efforts to gain high visibility for California and its bureau partners in Ireland and the incentive market continue to be successful. The representation partnership, funded by the San Francisco, San Diego County, North Lake Tahoe, Sacramento, Mammoth Lakes and Anaheim/Orange County Visitor and Convention Bureaus, pro-

vides a well-balanced mix of gateways and secondary destinations. MSTT's most notable achievements throughout the year have been its ability to produce a high number of familiarization tours and build strong relations with airline, wholesale and retail partners.

## RESEARCH

***California Travel Impacts by County*** – An annual analysis of statewide tourism statistics (including financial impact, jobs, state and local tax revenues, transient occupancy tax, and other indices) was prepared for 1998, and preliminary estimates were produced for 1999. Final 1999 results are expected in the first quarter of 2001.

***Program Evaluation Research*** – The effectiveness of the advertising and fulfillment programs were evaluated, and were found to provide an excellent return on investment, as described elsewhere in this report.

***Domestic and International Market Research*** – Reports on domestic and international visitors to California, part of California Tourism's ongoing market research efforts, were updated and published.

***Research Insights*** – The research section within California Tourism's quarterly newsletter, *Insights*, includes charts and graphs on domestic and international visitation, air arrivals, national and state park attendance, as well as market research figures and findings. Articles of interest to tourism and travel research and marketing professionals are also included.

***Seasonal Forecasts*** – Resident and non-resident travel volume to and through California were forecast, by season.

***Research Response*** – California Tourism's research staff answered approximately 600 calls for travel and tourism statistical data and sent copies of published reports to an additional 300 requesters. California Tourism's research office provided information to destination marketing organizations, local, state and national governments, news reporters, investors, tourism developers, economic development organizations, appraisers, loan officers, marketers, and students.

***Web site*** – An average of 7,400 people per month requested the California *Visitor's Guide* over the Internet. Of those requesting this information, 13% were from California, 6% from Canada, 66% from the primary reason for using the Internet. Of those using the California Tourism Web site, 86% were planning vacations, 3% were students preparing reports, 2% were traveling for business reasons, and the remainder were travel agents or individuals interested in relocating to California.

## AWARDS

***National Advertising*** – California Tourism's 1999 Advertising Campaign received the prestigious Mercury Award for Best Print Advertising in the Nation by the Travel Industry Association's National Council of State Travel Directors at their annual 2000 ESTTO Conference. The campaign garnered top honors in recognition of its superior creative qualities, as well as the campaign's proven results, including that it generated \$619 million in new visitor spending for California and yielded 644,000 new visitors to California.

Last year's tourism campaign was acknowledged in many highly regarded advertising industry publications. In *U.S. Ad Review*, the Point Lobos State Reserve "star fish" ad was acknowledged for break-through advertising in the travel and tourism category. *Archive* magazine highlighted our "Burney Fall's" ad for the beautiful photography and outstanding design. The Catalina ad received a positive critique in the creative review section of *AdWeek*.

***American Express California Travel Planner*** – California Tourism's 1999 cooperative endeavor, the *American Express California Travel Planner*, also received a Mercury Award "Honorable Mention" by the Travel Industry Association's National Council of State Tourism Directors. The four-color, 48-page travel planner (2.1 million distribution) creatively tied into the national advertising effort and extended California Tourism's advertising program by a 3-to-1 cooperative leverage on the initial investment with very significant results, including over 133,000 inquiries for advertisers. Specifically, during the promotional period (April through October 1999), the travel planner resulted in a 13.6% increase in cardmembers visiting California, a 24% increase in retail spending, 11% increase in entertainment spending, and a 6% increase in restaurant spending during the same period over the previous year.

***Bed & Breakfast Inns Virtual Tours*** – California Tourism was also honored with a Mercury Award for "Best Internet Promotion in the Nation" by the Travel Industry Association of America's National Council of State Directors for being the state travel office in the nation to launch Bed & Breakfast Inns virtual tours via the California Tourism Web site and other Internet portals. Partnering in this endeavor is the California Association of Bed & Breakfast Inns (CABBI) and [Bamboo.com](http://Bamboo.com) (now owned by iPIX).